

Commercial Customs Operations Advisory Committee (COAC)

Secure Trade Lanes Subcommittee

2Q2021 Export Modernization White Paper V1

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EMWG White Paper – Export Operations for the 21st Century

PURPOSE:

The intent of this white paper is to lay out a strategy and roadmap for the next phase of the export process. This paper incorporates findings and recommendations from the export working groups of COAC 13, 14, and 15. It will demonstrate where data actually originates, who “owns” that data, who needs it, and how it should be used for export enforcement and statistics. The paper also demonstrates how both the trade community and the federal government will benefit in process efficiency for all modes of transportation for legitimate trade. This document is meant to be a living document that will evolve as processes and needs change.

GOALS:

Exports are critical to the U.S. economy, adding to the country’s economic security. As economic security is national security, the Export Modernization Working Group (EMWG) and the Government have committed to taking all possible steps to improve the facilitation of exports in recognition of the enormous contribution exports make to the nation’s economic security. To that end, we are committed to developing a secure and flexible export clearance process that leverages the capabilities and best practices of the different modes of transportation and the extant business models within them.

The future export strategy must deliver effective enforcement and compliance, improved trade statistics, predictable facilitation of legitimate trade, a highly efficient clearance process, as well as rapid and streamlined communication between all government agencies involved in export clearance and all relevant export trade partners. *(Refer to Appendix 5)* It will achieve these goals through development of export processes that:

- Eliminates current redundancy among government agency requirements;
- Assigns accountability for accurate and timely submission of each required data element to the most appropriate party;

- Ensures enforcement for the accuracy of the data is placed on the responsible data owner;
- Preserves and expand the use of Post-Departure Filing (PDF);
- Optimizes the timing and methods of electronic commodity and transportation data submissions;
- Rationalizes the export inspection regime in line with the progressive filing of data; and
- Emphasizes an enforcement and compliance program with a more targeted penalty approach focusing on the most egregious violations.

BACKGROUND OF EXPORT PROCESSES INCLUDING THE ROLES AND RESPONSIBILITIES OF THE PARTIES INVOLVED:

(Refer to Appendix 5 – Roles and Responsibilities of the Parties Involved)

A Brief History of the AES:

Since 1941, the Census Bureau has been collecting and compiling import and export information as a part of the foreign trade statistics program. The Census Bureau has maintained regulation, known as the Foreign Trade Statics Regulations through 2002 and the Foreign Trade Regulations (FTR) from 2002 to the present. These regulations contain the legal definitions and requirements for reporting export information, including Shipper's Export Declarations (now known as Electronic Export Information or EEI.)

Exports are critical to the U.S. Economy, adding to the country's Economic and Financial Security. **Economic Security is National Security.**

Prior to 2000, Customs regulated very few exports, mainly alcoholic beverages and self-propelled vehicles. Exporters or their freight forwarders submitted paper Shipper Export Declarations, form 7525-V, (SED) to the carrier for each export. An electronic system called the Automated Export Reporting Program (AERP) approved exporters or their freight forwarders to send SED information monthly from the prior month by the 10th of the following month, instead of transactionally. This procedure provided filers the time to make sure all data was complete and accurate as the data was submitted well after the shipment departed.

Additionally, carriers submitted a paper manifest attached with SED's to CBP prior to the fourth day after departure.

In 1995, Customs and the Census Bureau developed a new system called the Automated Export System (AES) which would later eliminate the paper SED (in 2008) and AERP (in 2000). AES was fully deployed by 1997 to all ports of export in all modes of transportation, which allowed the USPPI and/or authorized agent to submit the export information electronically. Because the set-up of a company's system to AES was costly and burdensome for small to medium sized companies at the time, the Census Bureau developed a free Internet-based filing program in 1999 called AESDirect.

When the AES program started, a shipper or their freight forwarder could submit the XTN (external transaction number – which was the filer's reference number) or ITN (internal transaction number – the number assigned to the transmission by AES), which would be included on the bill of lading or air waybill instructions to the carrier. Carriers were required to confirm the presence of an XTN or ITN on the shipper's documentation prior to export. Later, only an ITN or AES exclusion/exemption code was acceptable for reporting to the carrier.

Additionally, when the AES was created, the filer has to include an "option" related to the filing status for an AES transmission, which indicated how the data was submitted and when. The available options were:

Option 1: Filing of the paper SED.

Option 2: Commodity information is submitted to AES by the USPPI or authorized agent prior to departure.

Option 3: Either the USPPI or authorized agent transmitted the required 14 data elements prior to the export, with the complete AES data required to be submitted within five days of the shipment date. Option 3 proved unworkable as filers were inconsistent in submitting the remainder of the AES data and this option was later eliminated.

Option 4: Approved USPPIs or its freight forwarder transmitted the data within 10 working days after the date of exportation (later changed to five days). The shipper had to be approved by the Census Bureau to qualify for this option.

CBP realized the value of receiving export data prior to the departure of the shipment for control and enforcement purposes. In 2002, when Department of Homeland Security (DHS) was created and the Trade Act of 2002 was signed, a moratorium on additions to the Option 4 (post-departure) filing program went into effect that eliminated any new companies from applying to the program and denying current approved companies the ability to add USPPI IDs to their profiles. Companies already approved were grandfathered and could continue the post-departure EEI submissions. At this time only options 2 and 4 exist and these options have been renamed pre-departure and post-departure filing, respectively.

Later in 2003, the Security Assistance Act was implemented mandating filing of items on the State Department, Directorate of Defense Trade Controls' (DDTC) U.S. Munitions List (USML) and the Commerce Department Bureau of Industry and Security's (BIS) Commercial Control List (CCL). During this time U.S. Customs and Border Protection (CBP) published regulations on Required Advance Electronic Presentation of Cargo Information, as a result of the Trade Act of 2002. In Section 343 of the Trade Act of 2002, it required Mandatory Advanced Electronic Information for Cargo and other Improved Customs Reporting Procedures; for sea carriers it was defined as 24 hours prior to loading of cargo to the vessel. Additionally, in 2003, mandatory filing of raw and rough-cut diamonds was put in place.

The Census Bureau sets the regulations related to the collection of export information; however, the Secretary of Commerce has delegated enforcement authority of the FTR to the Department of Commerce, BIS, Office of Export Enforcement and the DHS's CBP and the Bureau of Immigration and Customs Enforcement (ICE). Prior to 2003, there were fines and penalties in place; however, too many filers continued to not file complete, accurate and timely data. To remedy this, in 2003, the Census Bureau, with concurrence from the appropriate agencies, implemented the \$10,000 penalty structure into the FTR. As one could expect this created new opportunities for the government and at the same time created some new problems for exporters. (*refer to Appendix 3*)

In 2008, the Census Bureau published critical amendments to the FTR. One of these amendments to the FTR resulted in AES becoming mandatory for all export filings. This rendered paper SEDs obsolete and were no longer accepted. The FTR amendments also introduced the term Electronic Export Information (EEI). Additionally, the 2008 amendments to the FTR included filing time frames, the Vessel Transportation Module, which was later

removed, the creation of Subpart H to the FTR: penalties, enforcement, and the structure of Voluntary Self-Disclosure.

Finally, in 2014 Executive Order (EO) 13659 was issued, which had the goal of creating a “Single Window” to allow the trade community to submit export and import information in one place. The Census Bureau, CBP, and other partnering government agencies (PGAs) would then have access to the relevant import and export information submitted in this one location. As a result of this EO, the Automated Commercial Environment (ACE) was created and the Census Bureau’s AESDirect migrated into ACE in 2015. In 2016, the legacy AESDirect was deactivated, and AES within ACE is what presently exists.

Today, CBP has more visibility of the data through ACE and can interdict and enforce exports before they depart the U.S. BIS and DDTC have interfaces with AES so that export control requirements of both agencies are met by the USPPs and highly sensitive exports are monitored and enforced for national security purposes. PGAs with a legal authority to the export data are accessing data through the ACE portal to support their missions.

Currently, there has been a focus for improvement of statistics, more visibility of data for enforcement and compliance reasons, and the Electronic Export Manifest (EEM) tests.

In 2017 CBP published Federal Register Notices announcing ACE Export Manifest tests for Air, Rail, and Vessel modes of transportation. The purpose of the notice was to gain trade participation and list the required data elements. The initial tests resulted in a small number of carriers in each mode agreeing to participate in the pilot program, intermittently over the past five years. In 2020, an active rail test was deployed including one rail carrier on exports moving from Port Huron, MI. The collection of statistics and enforcement operations has been evaluated monthly by both CBP and the Census Bureau.

OPPORTUNITIES FOR IMPROVEMENT:

- Although CBP has primarily limited penalties to the untimely filing of the EEI and inaccurate Transportation Data Elements there have been instances of cargo holds related to EEI in AES that have inhibited legitimate trade. There has also been an increase in penalties for AES filers (primarily freight forwarders) for incorrect data

reported based on information obtained from third parties, such as carriers who are moving the cargo from the U.S. This has resulted in a financial and process burden. The process of assessing these penalties has been anecdotally referred to by the trade community as the issuing of “parking tickets”.

- Additionally, since 2002, exporters have not been able to apply to become Post-Departure (Option-4) filers.
- The EMWG of COAC 15, along with the previous Export Working Groups of COAC 13 and 14, have worked to analyze and prove concepts to meet the statutory and security requirements of CBP and the other U.S. Government Agencies, while at the same time, facilitating legitimate export shipments.

STRATEGIES FOR THE MODERNIZATION OF EXPORT PROCESSES:

COAC 13 and 14:

COAC established the Subcommittee on Exports in July 2012 during the 12th term of the COAC. The work of the Export Subcommittee in the 13th and 14th terms focused on the improvement of export enforcement and the enhancement of export facilitation in support of the priorities and strategies of the President’s National Export Initiative.

During the 13th term, two major work products were delivered that formed the basis for the recommendations promulgated throughout the 13th and 14th terms: A Master Principles document advocating for a one U.S. Government approach to exports, and the COAC Export Mapping Education Package (“Education Package”). *(Refer to Appendix 2) (Refer to Appendix 6)* The Education Package – developed by the large and diverse Export Mapping Work Group – featured process maps for each export type (licensed, non-licensed, and Option 4) and each mode of transport (air, ocean, rail and truck) in which current pain points and opportunities for improvement were noted, and initial trade solutions were set forth. Following completion of the Education Package, an Export Process Work Group was established to flesh out ideas for improvement and begin the elaboration of comprehensive recommendations to modernize and streamline the export process, thereby enhancing both security and

facilitation. Finally, the Export Subcommittee developed and conducted export surveys in 2013 and 2014; following analysis of the results, reports were drafted and delivered to CBP.

During the 13th term, the Export Subcommittee delivered a total of 25 recommendations.

In the 14th term, the Export Subcommittee continued this work, dividing it along a “commodity/manifest” line into two groups to further elaborate optimal export processing:

- The Post-Departure Filing Working Group (PDFWG), focused on the development of an improved post-departure filing program that would both meet the export targeting needs of CBP and preserve much-needed supply chain flexibility for exporters, allowing them to be competitive in the global marketplace.
- The Electronic Export Manifest focused on the development of efficient and automated export manifest systems for all modes of transport that would not unduly burden U.S. exporters or the carriers that serve them. *(Refer to Appendix 4)*

The two groups worked closely together throughout the term to explore the spaces where the interaction between electronic manifesting and AES could support both the new PDF program and the streamlining of data provision throughout the export transaction.

The PDFWG elaborated a new proposed post-departure filing program integrated with the advance electronic manifesting programs and demonstrated its fitness via the completion of a desktop exercise focused on air and ocean exports with the participation of multiple trade community and government stakeholders. *(Refer to Appendix 3)* Work continued with the development of a detailed plan for implementing a PDF pilot in conjunction with the air and ocean electronic export manifest pilots, and the further elaboration of the solution for additional industries and modes of transport.

The EMWG included representatives from all modes of transport and exporters – including carriers, forwarders, and shippers – and from CBP and the Census Bureau. It sought to elaborate comprehensive advice and recommendations to ensure that the new automated export manifest system would modernize and streamline export risk assessment and border crossing processes and reduce, where possible, burdens on US exporters and the carriers that serve them.

The EMWG delivered commentary to CBP on the Federal Register notices for automated export manifest pilots in the air and ocean modes of transport, and throughout the 14th term, close contact was maintained with pilot participants to identify issues for further work. In its truck and rail manifest work, the EMWG coordinated closely with the North American Single Window Working Group of COAC's One U.S. Government at the Border Subcommittee to promote opportunities for harmonization with Canada and Mexico.

The centerpiece of the EMWGs work was the elaboration of the progressive filing model of data transmission, first outlined in the 13th COAC's Export Mapping Education Package. In this model, shipment information is decoupled from transportation information and the paper export manifest of today is deconstructed into its constituent components of house bill, master bill and conveyance information. In this manner, progressive filing makes possible the earliest possible transmission to CBP of the house bill data that is most critical to risk assessment. Master bill and conveyance information are added to the shipment's ACE manifest record later in time, as each piece of information becomes available. The model allows the linkage of AES information to manifest information at the lowest level – the house bill – and at the earliest time to further facilitate risk targeting. Progressive filing further allows data to be provided to CBP in line with the Trade Act of 2002's directive that data be provided by the party in the best position to do so, with master bill and conveyance data provided by the carrier, and house bills provided by the house bill creator, often a forwarder, NVOCC, or Indirect Air Carrier. Finally, because it enables early risk assessment, progressive filing allows early shipment interception and inspection, at a point in the supply chain before shipments have been consolidated, moved to the port of export, containerized, and/or loaded.

The Export Subcommittee's 14th term work under the post departure filing and export manifest working groups resulted in the delivery of 10 COAC recommendations.

During this same period, a "Proof in Concept" was initiated at the Port of Long Beach. The purpose was to determine what steps could be taken that would allow CBP the opportunity to examine individual Less than Containerload (LCL) cargo being targeted through pre-departure data prior to cargo being consolidated into a container. Until that time, cargo was not being targeted until after the container was loaded and on dock, causing the entire container to be pulled for exam so the suspect cargo could be pulled. For "innocent" cargo this resulted in delays, very high cost, lost business, and sometimes damage to the cargo in

the unloading / reloading process. Lessons learned from this “Proof in Concept” have influenced the decisions being made to advance Electronic Export Manifest (EEM). Some examples are as follows: 1) Value of early examination was confirmed as it accomplished the initial goal of not pulling consolidated containers late in the process; and 2) Information being collected by vessel carriers and NVOCC “Master Loaders” was insufficient for effective CBP targeting (i.e. rarely including actual shipper/consignee information and usually including very general commodity descriptions). The lesson learned supports the progressive-filing model concept where actual data gathered from the correct parties was needed as part of EEM.

COAC 15:

The EMWG of COAC 15 has conducted an extensive analysis of export data elements, defining the data element owner and which government agency requires it. *(Refer to Appendix 1)* This work will assist policy makers in both Government and the trade community to recognize necessary data, duplicate data, and who possesses the most accurate and timely data.

Data Elements: Analysis of the source and the true owner of the data

The EMWG analyzed each data element that is submitted in the EEI and the Manifest by the carrier. *(Ref: Appendix 1)* The group analyzed each data element, defining who currently submits it and which entity has the most accurate information. The group started by listing out all data elements on the EEI, Air Manifest, Ocean Manifest, and Rail Manifest. (Note: Truck manifest should fall in place once its process is completed by CBP, who is working with border countries: Canada and Mexico.) EMWG compared the data elements on the EEI and different manifests to confirm whether each data element was the same exact data and noted whether the data is known by a different name. The comparison then defines (1) if the data is necessary to any government entity; and (2) which entity has the most accurate data. It is important to note the working group included COAC members, trade community members, CBP, the Census Bureau, and BIS, ensuring all entities with a part in either submitting or receiving the data were represented.

The following data elements currently required by CBP to meet their Trade Act responsibilities to collect predeparture data are submitted both as part of the EEI and the manifest. Through the analysis, it was determined the owner of the data would possess the most accurate data. Therefore, the data elements listed below should be supplied by the carrier and come from the Manifest versus the EEI.

1. Date of Export (Appendix 1, Item #5 on log)
2. Method of Transportation (Appendix 1, Item #9 on log)
3. Conveyance Name/ Carrier (Appendix 1, Item #10 on log)
4. Carrier Identification (Appendix 1, Item #11 on log)
5. Port of Export (Appendix 1, Item #12 on log)
6. Foreign Port of Unlading (Appendix 1, Item #41 on log)

These data element requirements should shift from being the responsibility of the EEI filer to the manifest filer. Currently, the party filing the EEI would be obtaining these details (if possible) from the carrier and then passing them through the EEI transmission. It would make more sense to receive the data from the carrier via the manifest, allowing Government entities to obtain the most accurate details from the party that owns the data. In fact, in 2020 and 2021 rail manifest data was used to compare the accuracy of data collected from the EEI filer. It was found the manifest data was far more accurate than the collected data from the EEI. For instance, the SCAC code differs some of the time, which can complicate CBP's ability to carry out its mission. When any of these details is given incorrectly, or not at all by the carrier, the filer of the EEI is subject to fines from CBP, because it is currently the responsibility of the EEI filer. These fines are impairments to exporters and their filers in two ways:

First is additional time requirements currently burdening the exporter. The exporter currently must obtain the data elements, file the data elements, check with the carrier for final details, and submit the final data received via EEI.

Second is the cost of time and money anytime a fine is issued by CBP. When a fine is issued, it is currently issued in the amount of US\$14,362.00. The party receiving

the fine then must take the time to write a protest letter and submit it along with all back-up paperwork proving the data that was given. CBP usually mitigates the fine to an amount of \$500 or more, which is still quite a large ultimate fine even when it was proved that the information received was merely passed on from the carrier. The EEI filer is being penalized for the bad data coming from the carrier. As well, from CBP's side the amount of the mitigated fine supersedes the costs incurred by CBP to process the penalty.

When exporters and their filers are burdened by these time and financial requirements, it reduces these entities' profitability, and impacts our national economic security. Furthermore, it wastes CBP's time and resources pursuing minor offenses that should be spent on more serious issues.

Changing the responsibility for these six data elements from the EEI to the manifest would meet the requirements of the Census Bureau and BIS, as well as CBP's. The work completed by the EMWG has established an excellent foundation for taking the next steps toward full modernization.

Post-Departure Filing and reopening:

In the current environment when a pre-departure filer uses its post-departure status, CBP does not receive any information that would be on the EEI prior to departure. CBP therefore has no visibility into what is being shipped, who is shipping, from where it is being shipped or to where it is being shipped.

Therefore, the post-departure process should be modernized as follows:

First, the USPPI would apply to be a post-departure filer. Within the application the following data elements would be required:

1. USPPI's Name (Appendix 1, Log #1)
2. USPPI's Address (Appendix 1, Log # 2)
3. USPPI's ID number (Appendix 1, Log #3)
4. USPPI's Contact Information (Appendix 1, Log #4)

5. A list of the following:
 - A. Countries of Ultimate Destination shipped to (Appendix 1, Log # 8)
 - B. Ultimate Consignees in each of the countries listed (Appendix 1, Log #6)
 - C. Intermediate Consignees (Appendix 1, Log #39)
 - D. Verification if each of the consignees is related or not related party to the USPPI (Appendix 1, Log #13)
 - E. What the Ultimate Consignee type is (Appendix 1, Log #31)
 - F. Additional PGA Data Required data Required Indicator (Appendix 1, Log #32)
 - G. Method of transportation used for each consignee (Appendix 1, Log # 9)
 - H. Ports of export used for each consignee (Appendix 1, Log #12)
 - I. Foreign Port of Unlading for each Consignee (Appendix 1, Log #41)
 - J. Commodity description (Appendix 1, Log #16) and Classification number (Appendix 1, Log #15) shipped to each Consignee
 - K. Hazardous Material Indicator for each commodity (Appendix 1, Log #24)
 - L. License Code or exemption code per Consignee / Commodity combination (Appendix 1, Log #26)
 - M. Export License Number/CFR citation/KPC number (Appendix 1, Log #42)
 - N. Department of State requirements. Directorate of Defense Trade Controls registration number (Appendix 1, Log #53)
 - O. Kimberley Process Certificate (Appendix 1, Log #54)
 - P. PGA ID and Corresponding Data required for that PGA (Appendix 1, Log #56)
 - Q. ECCN (Export Control Classification Number) (Appendix 1, Log #43)

Second, the Census Bureau and CBP, along with other PGAs, would then authorize each USPPI allowance to ship under post-departure status as follows:

1. To all consignees on the application
2. For all commodities on the application
3. For all countries on the application
4. For any combination

Third, once the exporter has been given post-departure status, they can request to add the following:

1. Consignees
2. Commodities
3. Countries

Also, it may be determined that shipments that are licensed or have high-risk qualities will not be approved on a post-departure basis.

When the Census Bureau and CBP receive the application for post-departure status, they can use all discretion in authorizing each USPPI's application as to what can be shipped and reported as post-departure. Upon approval, the USPPI would receive a post-departure code, which could be the USPPI's EIN number, to use that would link to the details on the account. When the USPPI files an EEI, the Post Departure filing citation that includes the USPPI's EIN would be given to the carrier. The transportation company would then submit this number for manifest purposes. These details along with the advanced manifest information would give CBP all the information needed to make further processing decisions.

The group analyzed what data would be sent in Advanced-Manifest (reference COAC 14) which would be as follows:

All Manifest

1. Date of Export (Appendix 1, Log #5)
2. Ultimate Consignee (Appendix 1, Log #6)
3. Conveyance Name/Carrier Name (Appendix 1, Log #10)
4. Carrier ID (Appendix 1, Log #11)
5. Port of Export (Appendix 1, Log #12)
6. Inbond Code (Appendix 1, Log #25)
7. Transportation reference number (TRN) Appendix 1, (Log #51)
8. Waybill Type (M=Master; H=House; S=Sub) (Appendix 1, Log #65)
9. Number of pieces (Appendix 1, Log #66)
10. Number of House Bills Appendix 1, (Log #67)
11. Shipper Name (Appendix 1, Log #68)
12. Shipper's Address (Appendix 1, Log #69)
13. Split-Shipment Indicator (Appendix 1, Log #70)
14. Hazmat Indicator (Appendix 1, Log #71)
15. ITN number (Appendix 1, Log #76)
16. Portion of the Split-Shipment (Appendix 1, Log #77)

Additionally, in the Ocean Manifest

1. Nationality of Ship (Appendix 1, Log #72)
2. Name of Master (Appendix 1, Log #73)
3. Marks and Numbers (Appendix 1, Log #74)
4. Notify Party Name and Address (Appendix 1, Log #75)
5. Chemical Abstract Service (CAS) Registry (Appendix 1, Log #78)

6. Date of Vessel Arrival (Appendix 1, Log #79)
7. Seal Number (Appendix 1, Log #57)
8. Equipment Number (Appendix 1, Log #58)

Additionally, in the Rail Manifest

1. Marks and Numbers (Appendix 1, Log #74)
2. Notify Party Name and Address (Appendix 1, Log #75)
3. Manifest Number (Appendix 1, Log #80)
4. Railcar Order (Appendix 1, Log #81)
5. Car Locator Message (Appendix 1, Log #82)
6. Location (where rail carrier takes possession of cargo or empty railcar) (Appendix 1, Log #83)
7. Equipment Type (Appendix 1, Log #84)
8. Empty Indicator Appendix 1, (Log #85)
9. Only going to Mexico (Appendix 1, Log #86)
10. Equipment Number (Appendix 1, Log #58)

Additionally, in the Air Manifest

1. 7509 Page number (Appendix 1, Log #61)
2. 7509 Marks of Nationality and Registration (AEM2) (Appendix 1, Log #62)
3. 7509 Consolidator (AEM 7) (Appendix 1, Log #63)
4. 7509 De-Consolidator (AEM 7) (Appendix 1, Log #64)

The following EEI data would not be submitted prior to shipment in a Post-Departure environment, but this information is not considered important to CBP's risk assessment process for the cargo. Between the information on the USPPI's post-departure profile and the advanced manifest information, CBP should have adequate data to determine the risk of the shipment.

1. US State of Origin (Appendix 1, Log #7)
2. Related Party Indicator (Appendix 1, Log #13)
3. Domestic or Foreign indicator (Appendix 1, Log #14)
4. Primary Unit of Measure (Appendix 1, Log #17)
5. Primary Quantity (Appendix 1, Log #18)
6. Shipping Weight (Appendix 1, Log #19)
7. Value (Appendix 1, Log #20)
8. Export Information Code (Appendix 1, Log #21)
9. Shipment Reference Number (Appendix 1, Log #22)
10. Line Number (Appendix 1, Log #23)
11. Routed-Export Transaction Indicator (Appendix 1, Log #27)
12. Shipment filing action request indicator (Appendix 1, Log #28)
13. Line-item filing action request indicator (Appendix 1, Log #29)
14. Filing Option Indicator (Appendix 1, Log #30)
15. Transmitter Field (Appendix 1, Log #33)
16. Transmitter Field (Appendix 1, Log #34)
17. Transmitter Field (Appendix 1, Log #35)
18. Transmitter Field (Appendix 1, Log #36)

19. Transmitter Field (Appendix 1, Log #37)
20. Authorized Agent and Authorized agent identification (Appendix 1, Log #38)
21. FTZ Identifier (Appendix 1, Log #40)
22. Secondary Unit of Measure (Appendix 1, Log #44)
23. Secondary quantity (Appendix 1, Log #45)
24. Entry Number (Appendix 1, Log #50)
25. To be Sold En-Route Indicator (Appendix 1, Log #55)
26. Original ITN (Appendix 1, Log #59)
27. Transmitter Field (Appendix 1, Log #60)

The post-departure shipper would then submit all EEI data within 5 calendar days after the shipment departs. This will ensure accuracy of the data for Census Bureau purposes.

This process would also allow a USPPI to have some shipments that would qualify for post-departure filing; however, higher risk shipments would not be eligible for post-departure filing. This process would have the following benefits:

1. The data would be more accurate.
2. Allows CBP to focus on the higher risk cargo.
3. The data would be verified prior to transmitting via EEI, saving time for the USPPI or designated EEI transmitter.
4. Allows BIS information and other PGA data to flow to the respective agencies.

The Desired End-State

Based on the considerable body of work completed over the last five years as outlined above, CBP, the Census Bureau, and the other PGAs, which regulate exports, and the trade community are prepared to begin development of a comprehensive approach to automating

the export manifest process. The new system must supply the tools to satisfy all Government enforcement responsibilities and also provide the trade community with a streamlined approach to submitting the required data and realizing improved trade facilitation capabilities and trade statistics. The key elements of this system are as follows:

1. A progressive filing framework that optimizes Government targeting capabilities
2. Operationally feasible deadlines for data submission
3. A mutually supportive approach to conducting inspections
4. Required Changes Foreign Trade Regulations and Customs Regulations
5. A rational approach to penalties

A. Progressive Filing Model for Exports

The Electronic Export Manifest (EEM) project must fully implement the progressive filing model, which not only clearly distinguishes between shipment information and transportation information, but bases risk assessment on shipment data to enable early-as-possible targeting. The progressive filing model embodied in the Air Cargo Advance Screening (ACAS) has been enormously successful for imports. The Electronic Export Manifest Business Process Document published by CBP in July 2019 provides the details of a progressive filing regime. Because transportation data is not part of the risk assessment, its transmission timeline can be properly set post-departure, after the carrier has had a chance to capture loading, offloading and split actions and reconcile the manifest to reflect reality.

Progressive filing enables two key national security benefits for export risk assessment:

Shipment-based targeting ensures that every shipment departing the United States is properly submitted for targeting, without risking any inadvertent non-submission of data due to manifesting irregularities that are unavoidable in fast-moving cargo operations.

The post-departure manifest information provided to CBP is complete and correct, thus serving as a trustworthy confirmation of export for CBP and a source of accurate information on transportation data elements, such as port and date of departure for the Census Bureau.

Progressive filing will facilitate CBP's ability to target and enforce in the export environment while imposing the minimum operational and financial burden on carriers. The goal of all stakeholders is a system that is maximally efficient and functional for carriers and CBP.

The submission of advance shipment-level EEM data elements enable CBP to effectively target, identify, and mitigate risks while simultaneously minimizing disruption to cargo operations, thus facilitating the movement of legitimate cargo. The submission of transportation-level EEM data elements enable CBP to confirm shipment export and to provide accurate and complete information to the Census Bureau for statistical purposes.

Participating carriers and forwarders will transmit EEM data as per the operational implementation guides CBP has published. Data to be submitted is divided into a shipment-level data set and a transportation-level data set. Participants may transmit shipment and transport data simultaneously or may utilize the progressive data filing model to transmit shipment-level data first, as early as possible, followed by a later transmission of transportation data.

B. Deadlines for Data Submission

Shipment-level EEM data elements will be transmitted as early as practicable. Carriers will strive to deliver data for the maximum number of shipments in accordance with the following deadlines:

1. Ocean: at least 24 hours prior to departure
2. Air and rail: at least two hours prior to departure
3. Truck: at least one hour prior to departure

Transportation EEM data elements also will be transmitted as early as practicable. If such data is not available by the deadlines specified for the shipment-level data, it will be submitted in accordance with current export regulations, with the option of submitting the transportation data after departure.

C. Managing Inspections

The key to the success of early targeting is that it allows shipment interception and inspection to take place prior to the final shipment consolidation at the port of export. The ideal time and location for shipment interception and inspection is as early as possible in export supply chains.

CBP will risk assess the shipment-level data. If CBP determines that a shipment requires further information or inspection, the filer of the data will receive an electronic hold message. The hold may be actioned at the port of export, or the carrier may request that CBP inspect at a port upline from the port of export where appropriate CBP personnel are available. Once CBP has resolved the hold, a release message will be generated and transmitted to the data filer. If more than one party has transmitted data for a given shipment, each party will receive response messages from CBP.

When transportation EEM data elements are transmitted prior to departure, CBP port of export personnel will also be able to generate electronic holds manually for delivery to data filers. CBP will work with carriers to bring local ports online to perform port of export electronic targeting in a If a hold is received late in the operational process, intercepting the shipment prior to departure may be difficult without significant negative operational and financial consequences. The carrier will make all reasonable efforts to stop the export and deliver it to CBP for inspection. If this is not possible, the carrier will coordinate with CBP to determine the optimum resolution of the issue, to include a rapid redelivery of the shipment. controlled manner with strict oversight.

If a hold is received late in the operational process, intercepting the shipment prior to departure may be difficult without significant negative operational and financial consequences. The carrier will make all reasonable efforts to stop the export and deliver it to CBP for inspection. If this is not possible, the carrier will coordinate with CBP to determine the optimum resolution of the issue, to include a rapid redelivery of the shipment.

D. The Census Bureau Foreign Trade Regulations (FTR) Changes

The FTR could be updated to include changes to the carrier responsibilities. This provision would be necessary to make the carrier responsible for specific transportation data elements that support the publication of the FT-900 International Trade in Goods and Services statistical release. *(Refer to Appendix 7)*

If the Census Bureau can utilize the transportation data on the EEM, the FTR could be revised to account for how corrections to the EEI are made (i.e. section 30.9). The FTR on Post Departure filing could be modified with new acceptance criteria based on decisions made by the Census Bureau, CBP, and the PGAs.

E. Export Penalties

Penalties in the export environment should be focused on preventing negligent disregard of U.S. export control laws and regulations or a consistent inability to file required data accurately and on time.

The recent rationalization of penalty issuance for certain occurrences of incorrect AES data is a welcome recognition of the operational realities impacting export data filers and the fact that penalties are inappropriate to address inconsistencies in data that is not critical to the targeting process.

CBP should issue guidance on what constitutes a clerical error in export data. Imposing holds to give filers the time to correct such errors is a more effective approach than issuing penalties. A filer voluntarily updating previously submitted information should not be subject to any penalty.

CBP personnel should not be able to issue penalties without proper training on how to do so and which regulations to apply. Applying discretion to mitigate penalties through consideration of all relevant factors should be part of this training.

USPPIs should not be penalized for data inaccuracies resulting from split shipments. EEM information can be analyzed to show the PPI is not accountable for split shipments caused by the vessel carrier.

The Government should issue guidance on voluntary prior disclosure of export violations. If an investigation has not been initiated by the Census Bureau/CBP or any other agency, CBP shall not issue a penalty on a disclosure that is acceptable to the Census Bureau.

Penalties should be appropriate to the gravity of the violation and mitigated based on the history of compliance or membership in trusted trader programs.

Analysis of Data Elements in the EEI (Electronic Export Information) and Manifest

LOG #	Data Element	Method of Transfer	Transmitted by this method - Y (yes) or N (no)	Does this method describe this data element differently? If so, what is it?	Owner of the Data
1	USPPI - Name	EEI	Y		USPPI, Consolidator/NVOCC, Other
		Air Manifest	N		
		Ocean Manifest	N		
		Rail Manifest	N		
2	USPPI - Address	EEI	Y		USPPI, Consolidator/NVOCC, Other
		Air Manifest	N		
		Ocean Manifest	N		
		Rail Manifest	N		
3	USPPI - ID number	EEI	Y		USPPI, Consolidator/NVOCC, Other
		Air Manifest	N		
		Ocean Manifest	N		
		Rail Manifest	N		
4	USPPI - Contact information	EEI	Y		USPPI, Consolidator/NVOCC, Other
		Air Manifest	N		
		Ocean Manifest	N		
		Rail Manifest	N		
5	Date of Export	EEI	Y		Carrier
		Air Manifest	Y	7509 Date (AEM 6 - "Scheduled Date of Departure") (mandatory)	Carrier
		Ocean Manifest	Y	Date of vessel departure	Carrier
		Rail Manifest	Y	Date of Departure	Carrier
6	Ultimate Consignee	EEI	Y		USPPI, FPPI
		Air Manifest	Y	7509 Consignee Name (AEM 15) (mandatory) and 7509 Consignee Address (AEM 15) (mandatory)	FF/ IAC
		Ocean Manifest	Y	Consignee name and address	USPPI, Shipper, NVOCC
		Rail Manifest	Y	consignee name and address	USPPI, FPPI, Shipper, NVOCC
7	US State of Origin	EEI	Y		USPPI, Consolidator/NVOCC, Other
		Air Manifest	N		
		Ocean Manifest	N		
		Rail Manifest	N		
8	Country of ultimate destination	EEI	Y		USPPI, FPPI
		Air Manifest	N		
		Ocean Manifest	Y	(19) Country of Ultimate Destination	
		Rail Manifest	Y	country of ultimate destination:	
9	Method of transportation	EEI	Y		Carrier
		Air Manifest	Y	(AEM 22) Mode of transportation (Air, containerized or Air, noncontainerized) (optional)	USPPI, FF/IAC
		Ocean Manifest	Y	Mode of transportation (Vessel, containerized or Vessel, non-containerized)	Carrier, NVOCC
		Rail Manifest	Y	Method of Transportation; and if the cargo is containerized or not (20 or 21):	Carrier

10	Conveyance Name/Carrier name	EEl	Y		Carrier
		Air Manifest	Y	7509 Flight No. (AEM 3) (mandatory)	Carrier
		Ocean Manifest	Y	(2) Name of ship or vessel	Carrier, NVOCC
		Rail Manifest	Y	train number:	Carrier
11	Carrier Identification	EEl	Y		Carrier, Consolidator/NVOCC
		Air Manifest	Y	7509 Owner/Operator (AEM 1 - "Exporting Carrier") mandatory	Carrier
		Ocean Manifest	Y	(7) Bill of Lading number (Master and House)	Carrier
		Rail Manifest	Y	SCAC:	Carrier
12	Port of Export	EEl	Y		Carrier
		Air Manifest	Y	7509 Port of Lading (AEM 4) (mandatory)	Carrier
		Ocean Manifest	Y	(5) Port of loading	Carrier, NVOCC
		Rail Manifest	Y	port of departure from the US	Carrier
13	Related Party Indicator	EEl	Y		USSPI, FPPI
		Air Manifest	N		
		Ocean Manifest	N		
		Rail Manifest	N		
14	Domestic or foreign indicator	EEl	Y		USPPI
		Air Manifest	N		
		Ocean Manifest	N		
		Rail Manifest	N		
15	Commodity Classification Number	EEl	Y		USPPI
		Air Manifest	N		
		Ocean Manifest	N		
		Rail Manifest	N		
16	Commodity Description	EEl	Y		USPPI
		Air Manifest	Y	7509 Nature of Goods (AEM 16 - "Cargo Description") (mandatory)	USPPI / FF/IAC
		Ocean Manifest	Y	(14) Description of goods	USPPI / Shipper / NVOCC
		Rail Manifest	Y	Cargo Description:	USSPI/ Shipper/FPPI/ NVOCC/ FF
17	Primary Unit of Measure	EEl	Y		USPPI
		Air Manifest	N		
		Ocean Manifest	N		
		Rail Manifest	N		
18	Primary Quantity	EEl	Y		USPPI
		Air Manifest	N		
		Ocean Manifest	N		
		Rail Manifest	N		
19	Shipping Weight	EEl	Y		USPPI, carrier
		Air Manifest	Y	7509 Weight (Kg/Lb) (AEM 12) (mandatory)	Shipper / FF/IAC
		Ocean Manifest	Y	(15) Gross Weight (lb. or kg.) or Measurements (per HTSUS)	USPPI/ FPPI/ Shipper/ FF/ NVOCC
		Rail Manifest	Y	Weight of cargo	USPPI/ FPPI/ Shipper/ FF/ NVOCC
20	Value	EEl	Y		USPPI
		Air Manifest	N		
		Ocean Manifest	N		
		Rail Manifest	N		
21	Export Information Code	EEl	Y		USPPI
		Air Manifest	N		
		Ocean Manifest	N		
		Rail Manifest	N		

22	Shipment Reference Number	EEl	Y	Anyone filing the EEI
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
23	Line Number	EEl	Y	USPPI
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
24	Hazardous Material Indicator	EEl	Y	USPPI Carrier / FF/IAC
		Air Manifest	Y	
			(AEM 20) UN Number (conditional) (If the hazmat indicator is yes, the four digit UN (United Nations) Number assigned to the hazardous material must be provided.)	
		Ocean Manifest	Y	USPPI / FPPI / Shipper/ FF / NVOCC
		Rail Manifest	Y	USPPI / Shipper
25	Inbond code	EEl	Y	Carrier, FF, US Agent, Consolidator, Other
		Air Manifest	Y	
		Ocean Manifest	Y	
		Rail Manifest	Y	
			(AEM 21) In-bond number (optional)	
			(20) In-bond number (conditional)	
			In bond number or original import bill of lading	
26	License code/license exemption code	EEl	Y	USPPI, FPPI
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
27	Routed export transaction indicator	EEl	Y	USPPI, US Agent
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
28	Shipment filing action request indicator	EEl	Y	USPPI
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
29	Line item filing action request indicator	EEl	Y	USPPI
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
30	Filing Option Indicator	EEl	Y	USPPI
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
31	Ultimate consignee type	EEl	Y	USPPI, FPPI
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
32	Additional PGA Data Required Indicator	EEl	Y	USPPI, FPPI
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
33	Transmitter Field	EEl	Y	All
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	

34	Transmitter Field	EEl	Y	All
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
35	Transmitter Field	EEl	Y	All
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
36	Transmitter Field	EEl	Y	All
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
37	Transmitter Field	EEl	Y	All
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
38	Authorized Agent and authorized agent identification	EEl	Y	Carrier, FF, US Agent, Consolidator and Other
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
39	Intermediate Consignee	EEl	Y	USPPI, FPPI
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
40	FTZ Identifier	EEl	Y	USPPI, US Agent, Consolidator and Other
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
41	Foreign Port of Unlading	EEl	Y	Carrier
		Air Manifest	Y	7509 Port of Unlading (AEM 5) (mandatory)
		Ocean Manifest	Y	(6) Port of discharge
		Rail Manifest	Y	port of unlading:
42	Export License Number/CFR citation/KPC number	EEl	Y	USPPI, US Agent
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
43	Export Control Classification Number (ECCN)	EEl	Y	USPPI, US Agent
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
44	Secondary unit of measure	EEl	Y	USPPI, Carrier
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
45	Secondary quantity	EEl	Y	USPPI, Carrier
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	

46	Vehicle Identification Number	EEl	Y	USPPI
		Air Manifest	N	
		Ocean Manifest	Y	(27) Vehicle Identification Number (VIN) or Product Identification Number (conditional) (For shipments of used vehicles, the VIN must be reported, or for used vehicles that do not have a VIN, the Product Identification Number must be reported.)
		Rail Manifest	N	
47	Vehicle ID qualifier	EEl	Y	USPPI
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
48	Vehicle title number	EEl	Y	USPPI
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
49	Vehicle title state code	EEl	Y	USPPI
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
50	Entry number	EEl	Y	USPPI, FF, US Agent, Other (FTZ)
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
51	Transportation reference number (TRN)	EEl	Y	USPPI, FF, US Agent, Other
		Air Manifest	Y	7509 Air Waybill Number (AEM 10) (mandatory)
		Ocean Manifest	Y	(7) Bill of Lading number (Master and House)
		Rail Manifest	Y	b/l number (simple bill)
52	License Value	EEl	Y	USPPI, US Agent
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
53	Department of State requirements. Directorate of Defense Trade Controls registration number.			
		EEl	Y	USPPI, US Agent
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
54	Kimberley Process certificate (KPC)	EEl	Y	USPPI
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
55	To be Sold En-Route Indicator	EEl	Y	USPPI, FPPI, US Agent
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	
56	PGA ID and Corresponding Data required for that PGA	EEl	Y	USPPI
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	N	

57	Seal Number	EEl	Y	Optional	USPPI, Carrier, Consolidator
		Air Manifest	N		
		Ocean Manifest	Y	(12) Seal Numbers (conditional)	
		Rail Manifest	N		
58	Equipment Number	EEl	Y	Optional	USPPI, Carrier, Consolidator
		Air Manifest	N		
		Ocean Manifest	Y	(11) Container Numbers (conditional)	
		Rail Manifest	Y	container numbers (or rail car numbers):	
59	Original ITN	Original ITN	Y		USPPI, Carrier
		Air Manifest	N		
		Ocean Manifest	N		
		Rail Manifest	N		
60	Transmitter Field	EEl	Y	(header info)	USPPI, Carrier, US Agent, FF, Consolidator, Other
		Air Manifest	N		
		Ocean Manifest	N		
		Rail Manifest	N		
61	7509 Page number (x of y) (AEM - N/A)	EEl	N		
		Air Manifest	Y		
		Ocean Manifest	N		
		Rail Manifest	N		
62	7509 Marks of Nationality and Registration (AEM 2) (mandatory)	EEl	N		
		Air Manifest	Y		
		Ocean Manifest	N		
		Rail Manifest	N		
63	7509 Consolidator (AEM 7) (conditional)	EEl	N		
		Air Manifest	Y		
		Ocean Manifest	N		
		Rail Manifest	N		
64	7509 De-Consolidator (AEM 8) (conditional)	EEl	N		
		Air Manifest	Y		
		Ocean Manifest	N		
		Rail Manifest	N		
65	7509 Air Waybill Type (M=Master, H=House, S=Sub) (AEM 9) (mandatory)	EEl	N		
		Air Manifest	Y		
		Ocean Manifest	Y	(8) Bill of Lading type (Master, House, Simple or Sub)	
		Rail Manifest	Y	b/l type	
66	7509 No. of Pieces (AEM 11) (mandatory)	EEl	N		
		Air Manifest	Y		
		Ocean Manifest	Y	(13) Number and kind of packages	
		Rail Manifest	Y	Quantity of cargo and unit of measurement	
67	7509 No. of HAWBs (AEM 13) (optional)	EEl	N		
		Air Manifest	Y		
		Ocean Manifest	Y	(9) Number of House Bills of Lading (optional)	
		Rail Manifest	Y	no. of House bills	

68	7509 Shipper Name (AEM 14) (mandatory)	EEI	N	
		Air Manifest	Y	
		Ocean Manifest	Y	(16) Shipper name and address
		Rail Manifest	Y	Shipper name and address:
69	7509 Shipper Address (AEM 14) (mandatory)	EEI	N	
		Air Manifest	Y	
		Ocean Manifest	Y	(16) Shipper name and address
		Rail Manifest	Y	Shipper name and address:
70	(AEM 18) Split air waybill indicator (optional)	EEI	N	
		Air Manifest	Y	
		Ocean Manifest	Y	(22) Split Shipment Indicator (Yes/No) (optional)
		Rail Manifest	Y	Portion of split shipment (i.e. 1/10)
71	(AEM 19) Hazmat indicator (Yes/No)	EEI	Y	
		Air Manifest	Y	
		Ocean Manifest	Y	(25) UN Number (conditional) (If the hazmat indicator is yes, then UN (for United Nations Number) or NA (North American Number) and the corresponding 4-digit identification number assigned to the hazardous material must be provided.)
		Rail Manifest	Y	6-character hazmat code:
72	(3) Nationality of ship	EEI	N	
		Air Manifest	N	
		Ocean Manifest	Y	
		Rail Manifest	N	
73	(4) Name of Master (optional)	EEI	N	
		Air Manifest	N	
		Ocean Manifest	Y	
		Rail Manifest	N	
74	(10) Marks and Numbers (conditional)	EEI	N	
		Air Manifest	N	
		Ocean Manifest	Y	
		Rail Manifest	Y	marks and numbers:
75	(18) Notify Party name and address (conditional)	EEI	N	
		Air Manifest	N	
		Ocean Manifest	Y	
		Rail Manifest	Y	notify party (name and address)
76	(21) Internal Transaction Number (ITN) or AES Exemption Statement (per shipment)	EEI	N	
		Air Manifest	Y	(AEM 17) AES Internal Transaction Number (ITN) or AES Exemption Statement/ Exception Classification (per shipment) (mandatory)
		Ocean Manifest	Y	
		Rail Manifest	Y	AES/ITN/ or Exemption

77	(23) Portion of split shipment (e.g., 1 of 10, 4 of 10, 5 of 10—Final, etc.) (optional)	EEI	N	
		Air Manifest	Y	
		Ocean Manifest	Y	(22) Split Shipment Indicator (Yes/No) (optional)
		Rail Manifest	Y	Portion of split shipment (i.e. 1/10)

78	(26) Chemical Abstract Service (CAS) Registry Number (conditional)	EEI	N	
		Air Manifest	N	
		Ocean Manifest	Y	
		Rail Manifest	N	

79	Date of Vessel arrival	EEI	N	
		Air Manifest	N	
		Ocean Manifest	Y	
		Rail Manifest	N	

80	Manifest number:	EEI	N	
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	Y	

81	railcar order:	EEI	N	
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	Y	

82	car locator message:	EEI	N	
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	Y	

83	location (where railcarrier takes possession of cargo or empty railcar):	EEI	N	
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	Y	

84	equipment type:	EEI	N	
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	Y	

85	Empty indicator	EEI	N	
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	Y	

86	Only going to MX: Pedimento (MX entry Number)	EEI	N	
		Air Manifest	N	
		Ocean Manifest	N	
		Rail Manifest	Y	

APPENDIX 2

COAC Export Subcommittee
Export Mapping Work Group
Education Package

August 7, 2013

Introduction

- Given the Subcommittee's statement of work, the 12th Term findings, and the pending export regulatory changes, the initial tasking of the 13th Term Export Subcommittee was to begin with the basics of export education.
- The achievement methodology used was simple: uniquely discuss each export type and produce a presentation package containing a current state process map, with trade areas of opportunity and potential advance data issues identified, and initial trade solutions noted.
- The tasking was assigned on March 6, 2013 and was closed on August 7, 2013 with the attached education packages and follow-on recommendations to COAC. It is important to note that the recommendations were developed in response to the emergence of solutions to areas of opportunity discovered as recurring themes. For ease of transparency, solution descriptions found in each education package are provided beneath the recommendation heading.

Introduction

- In order to deliver a timely, accurate, and comprehensive work product, the Export Subcommittee's subject matter expertise was required to expand; therefore, the Export Mapping Work Group (EMWG) was established to engage both government and trade subject matter expertise.
- The EMWG convened weekly via conference call over a 3 month period for discussion and the analysis of work products in the following subject matter areas:
 - Commodity (Licensed, Non-Option 4 / Pre Departure Except Licensing, Option 4)
 - Manifest (Air, Ocean, Rail, Truck)
 - Mexico/Canada (validation point)
- Additionally, the EMWG sought and incorporated public input using three export surveys individually targeted at exporters, carriers, and brokers.

Introduction

- The Education Packages produced via the EMWG process are a trade work product designed to educate - both government and all sectors of the supply chain - on the practical functioning and challenges of today's U.S. export system, and to elaborate trade's concerns with potential advance data developments already underway.
- They are presented to CBP as a starting point for further discussion, to be used as a base reference document in the development of synthesized, comprehensive recommendations by the follow-on work groups that the Export Committee has recommended to COAC.
- In addition to the trade input already obtained via the EMWG itself and the exporter, broker and carrier export surveys, the Export Subcommittee determined that it was desirable to publish these export education packages to the general trade community for the purposes of generating additional discussion/commentary and validating the export recommendations to be delivered over the course of the 13th (and likely into the 14th/15th) COAC term.

Introduction

- The individual Education Packages are found on the following slides:
 - Commodity – Slides 6-22
 - Licensed: Slides 6-11
 - Non-Option 4 – Pre-Departure Except Licensing: Slides 12-15
 - Option 4: Slides 16-22
 - Manifest – Slides 23-68
 - Air: Slides 25-42
 - Ocean: Slides 43-54
 - Rail: Slides 55-63
 - Truck: Slides 64-68

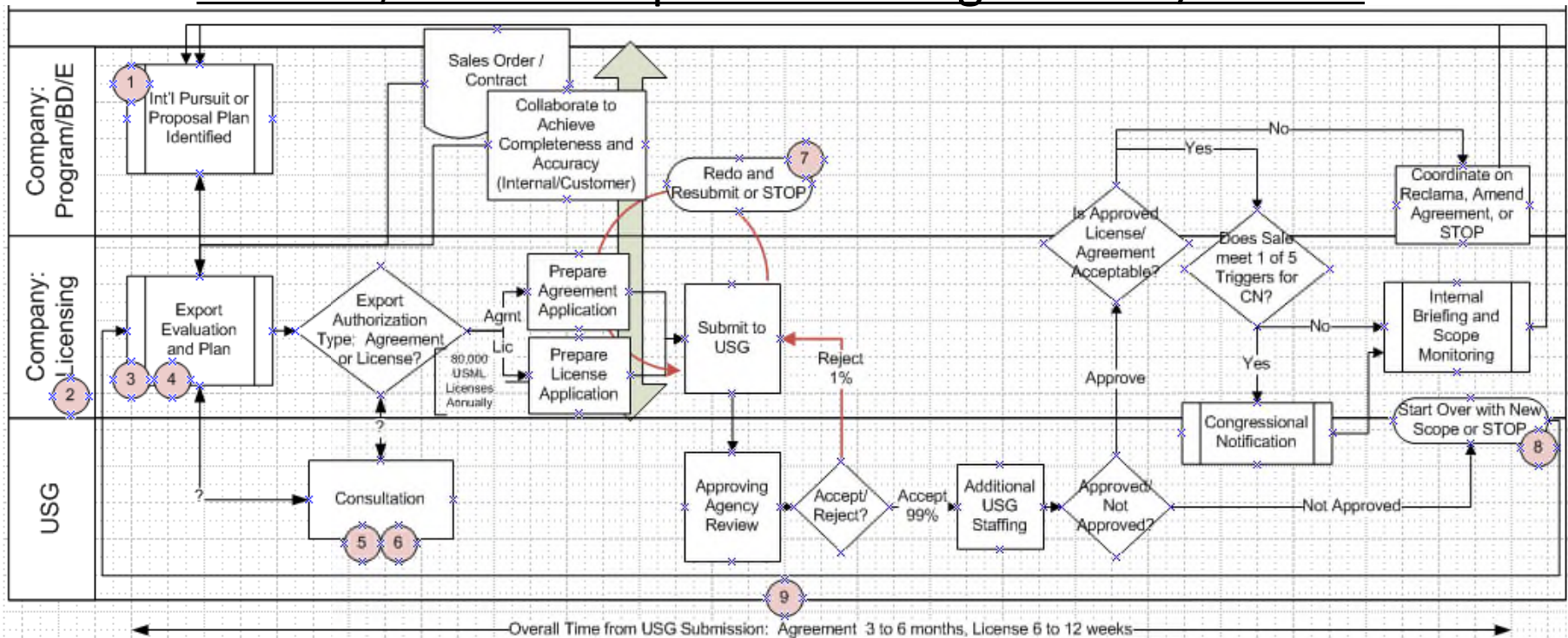
COAC Export Mapping Work Group

Commodity *Education Package*

Group: Commodity

Category: Licensed

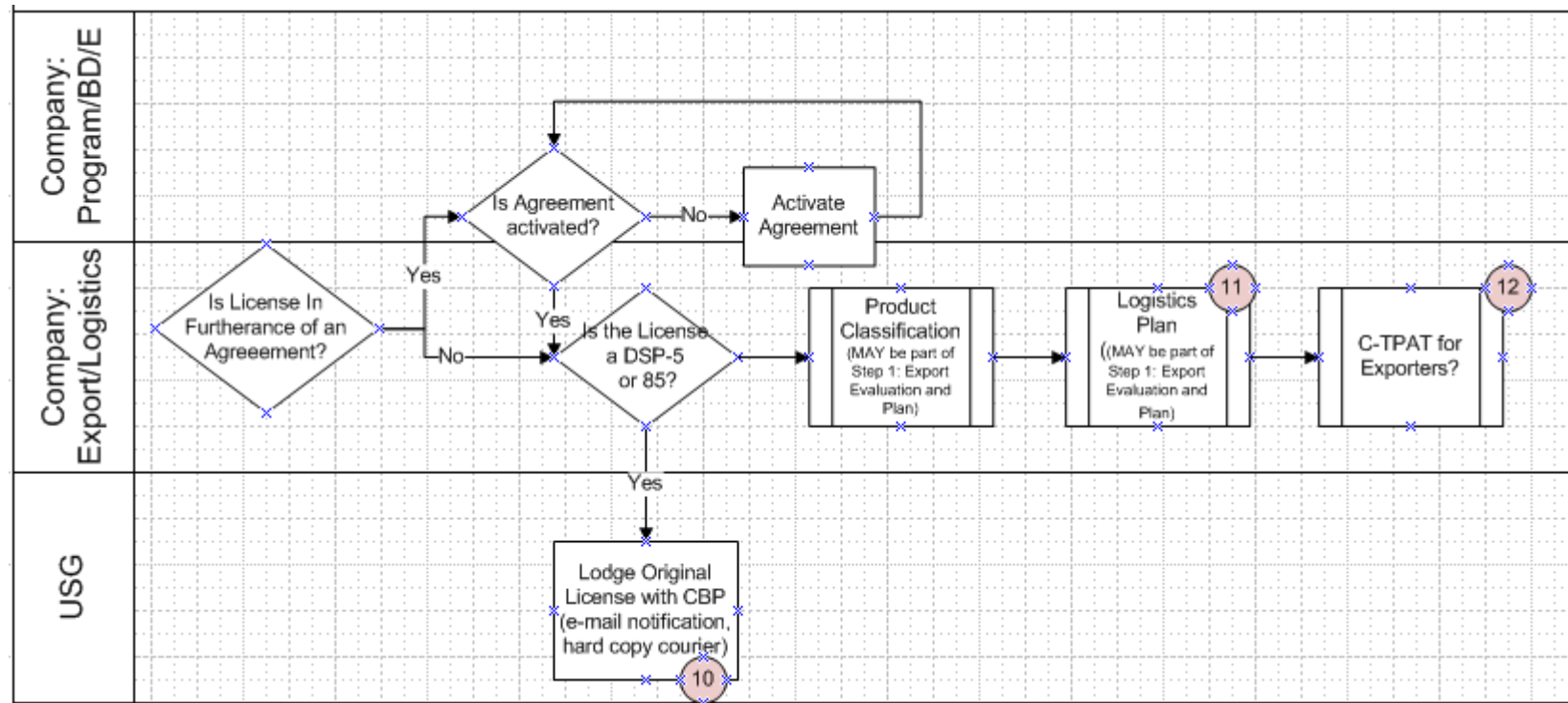
Commodity: License: Step 1: Obtain Agreement/License



Areas of Opportunity:

1. Denied party screening require use of several lists
2. Competency limitations between licensing, export, import, and logistics cause misunderstandings
3. USML or CCL? Confusion
4. USML to CCL to USHTS/B Translation Gap. Increases complexity
5. USG training and guidance gaps contribute to port variation
6. Several regulations contain varying controls that cause trade increased work. Misunderstood USG benefits.
7. Start license process over if the authorizing agency was interpreted incorrectly by the company
8. Limited flow down of authorization data elements
9. Time consuming: lost sales

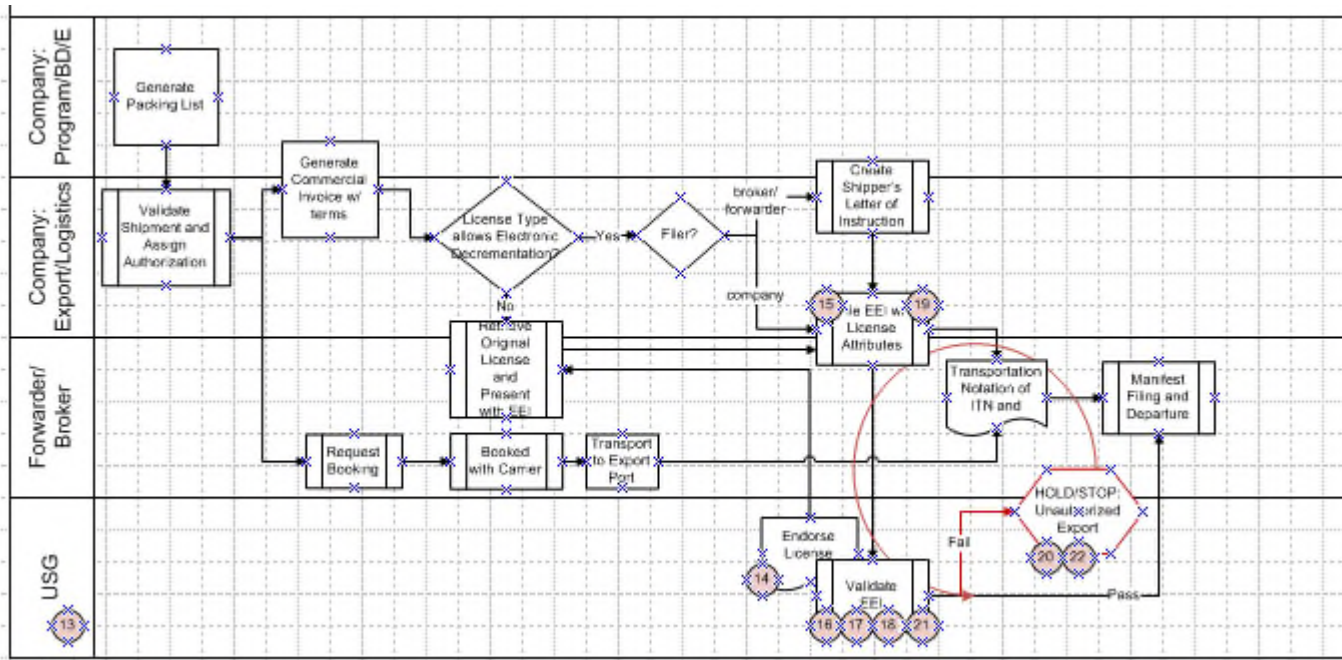
Commodity: License: Step 2: Pre-Shipment and Declaration Preparation



Areas of Opportunity:

10. ITAR lodging of DSP-5
11. Identifying transport entities and routings at the time of license submission
12. Customs- Trade Partnership Against Terrorism for exporters

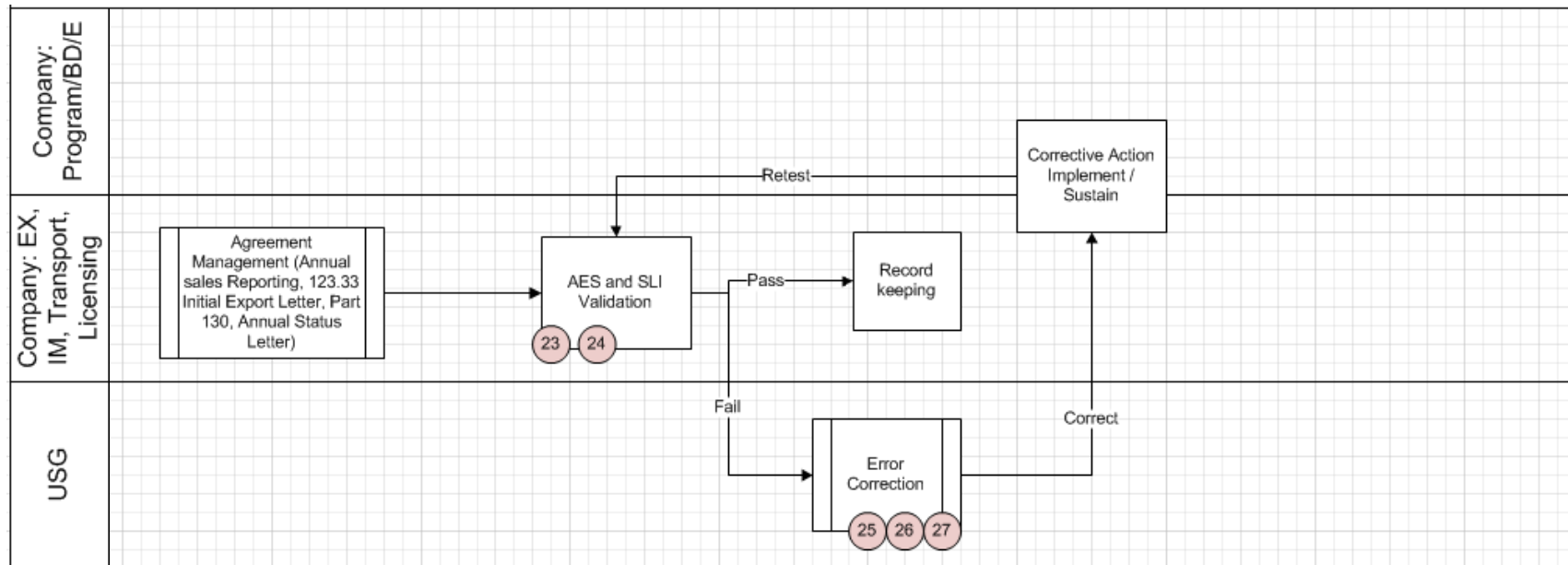
Commodity: License: Step 3: Export Declaration Filing



Areas of Opportunity:

13. USG request for guidance flowing up; USG interpretation flow down
14. ITAR manual endorsement process for temporary licenses
15. Export/Import manual matchup (Import decl. of customer returns)
16. Exception and exemption (e.g. body armor) management and CBP declaration requirements
17. Defense Trade Cooperation Treaties
18. Incorrect ECCN/License
19. New FTR Regulations: License value
20. Exodus Team and Transparency
21. Routed transactions
22. Variable Port Practices (ex non-technical errors and FTR penalties)

Commodity: License: Step 4: Post-Shipment Export Controls



Areas of Opportunity:

- 23. Cumbersome military duty free post-entry evidence process
- 24. Lack of a trade-facing (e.g. USPPI) government portal containing export data and export corrections
- 25. Non-technical errors produce FTR penalties
- 26. Understood, agreeable, and automated post entry process
- 27. Hand Carriage of licensed goods cause compliance concern due to port and traveler variation

Prioritized Solutions

- The team reviewed 53 recommendations associated with the 26 unique areas of opportunity and developed the following categorization of the recommendations:
 - Develop a Combined Government Approach to Risk, Process, Guidance and Correction to aid Licensed Exporters
 - Reduce Redundancies/Streamline the Licensed Export Process, including DSP-73/61 automation and DSP-5 lodging
 - Increase Export Visibility and Transparency and Question/Correction Operations for Licensed Exporters
- Feedback from Small Business sector:
 - Tax incentives for SBA export compliance staff
 - Continued promotion of the US Export Assistance Centers

COAC Export Mapping Work Group

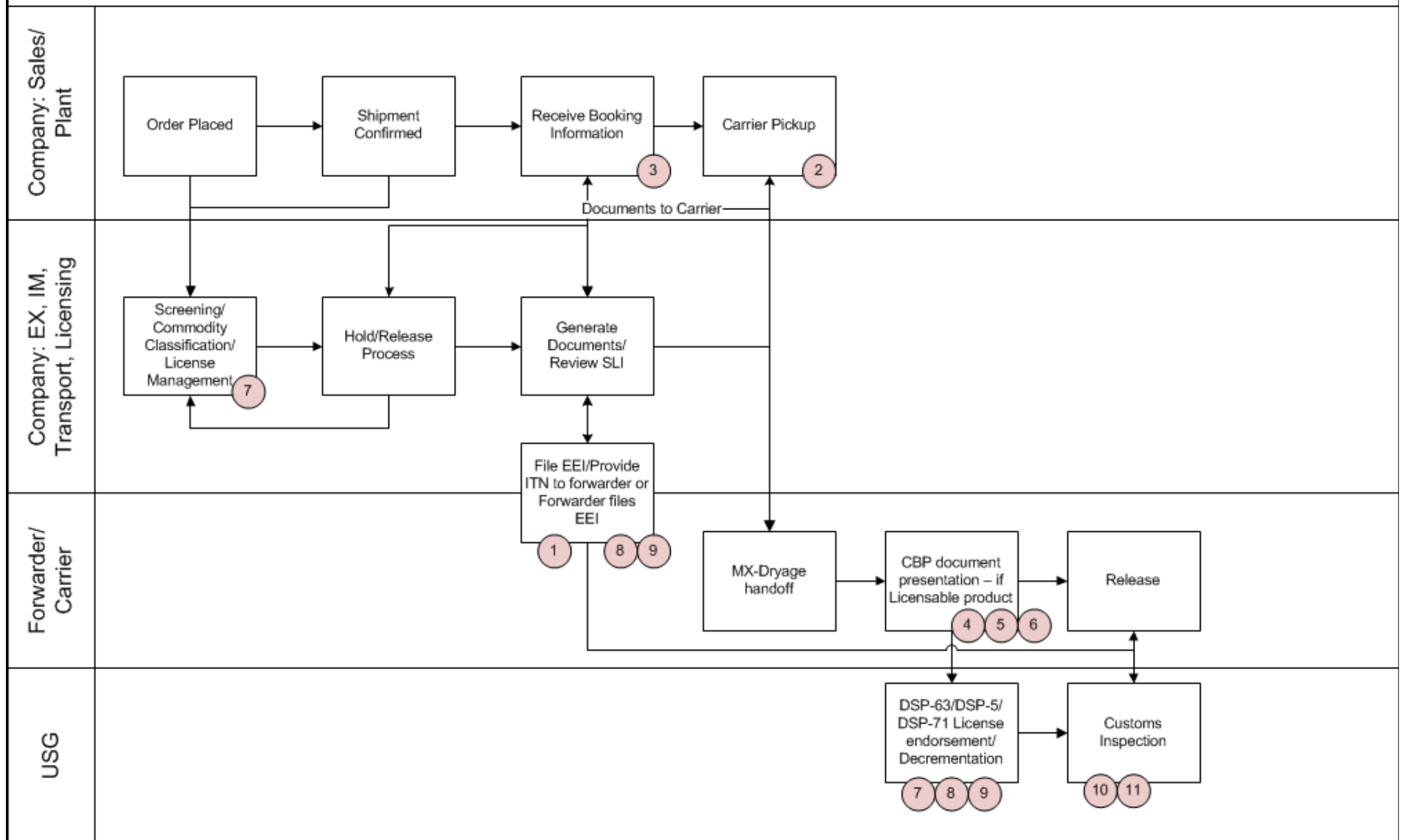
Commodity *Education Package*

Group: Commodity

Category: Non-Option 4

(Pre-Departure except Licensing)

Non-Option 4



Non-Option 4 (Pre-Departure Filings other than Licensing) Areas of Opportunity – All Modes:

1. Self filers - Exporter may not have all the information relating to the carrier/trailer and/or drayage due to changes/the exporter located too close to the port; exception handling relating to truck breakdowns etc.
2. Port changes due to traffic or weather or strike and if EEI already filed, potential violations and penalties. Also, documents handed off to the inland carrier but not the forwarder/outbound carrier
3. Lack of carrier information or confirmed quantities/products for locations close to the border
4. Possible changes to shipment data due to - Value changed / sold to changed / Quantity License document missing or incorrect license document provided
5. Outbound autos – stop for 72 hours for customs verification (self propelled vehicles)
6. Manual OGA documents – Health certificates, USDA inspections, HAZMAT docs
7. Customs endorse wrong value on DSP-63; decrements wrong DSP-5/or decrement wrong values or quantities. Exporter cites wrong exception/exemption and/or license. Lodging of DSP License and communication issues between exporter and forwarder due to manual submissions.
8. Communication issues between broker/carrier/forwarder (missing paperwork, ITN, license etc.)
9. Authorization from exporter to forwarder to file EEI
10. Shipment holds on consolidated shipments
11. Letter of Credit changes due to shipment delays

Solutions:

- Centralized data portal with EEI, License, CJ, CCAT information
- Centralized screening portal
- Correction of Data Elements without penalties such as port, quantity, value etc. for non-licensable items through a Post Shipment Correction process on the web
- Further discussion on types of changes that can be done for licensable project ex. Changes to port, departure time, MoT etc.
- Ability to transmit carrier BoL data elements after the EEI commodity data is filed
- Separation of the carrier data and the exporter data – ability to file separately and AES to connect
- Ability to file with Part/SKU and even serial numbers – makes it easier for tracking and tracing and for returns/repairs (in particular SMEs). This will also help in license management
- Trusted supply chain partner set-up in AES by exporter (electronic authorization on who can file)
- Access to routed shipment data through the portal (need to be more data elements than what is currently provided on the FOIA requests)

COAC Export Mapping Work Group

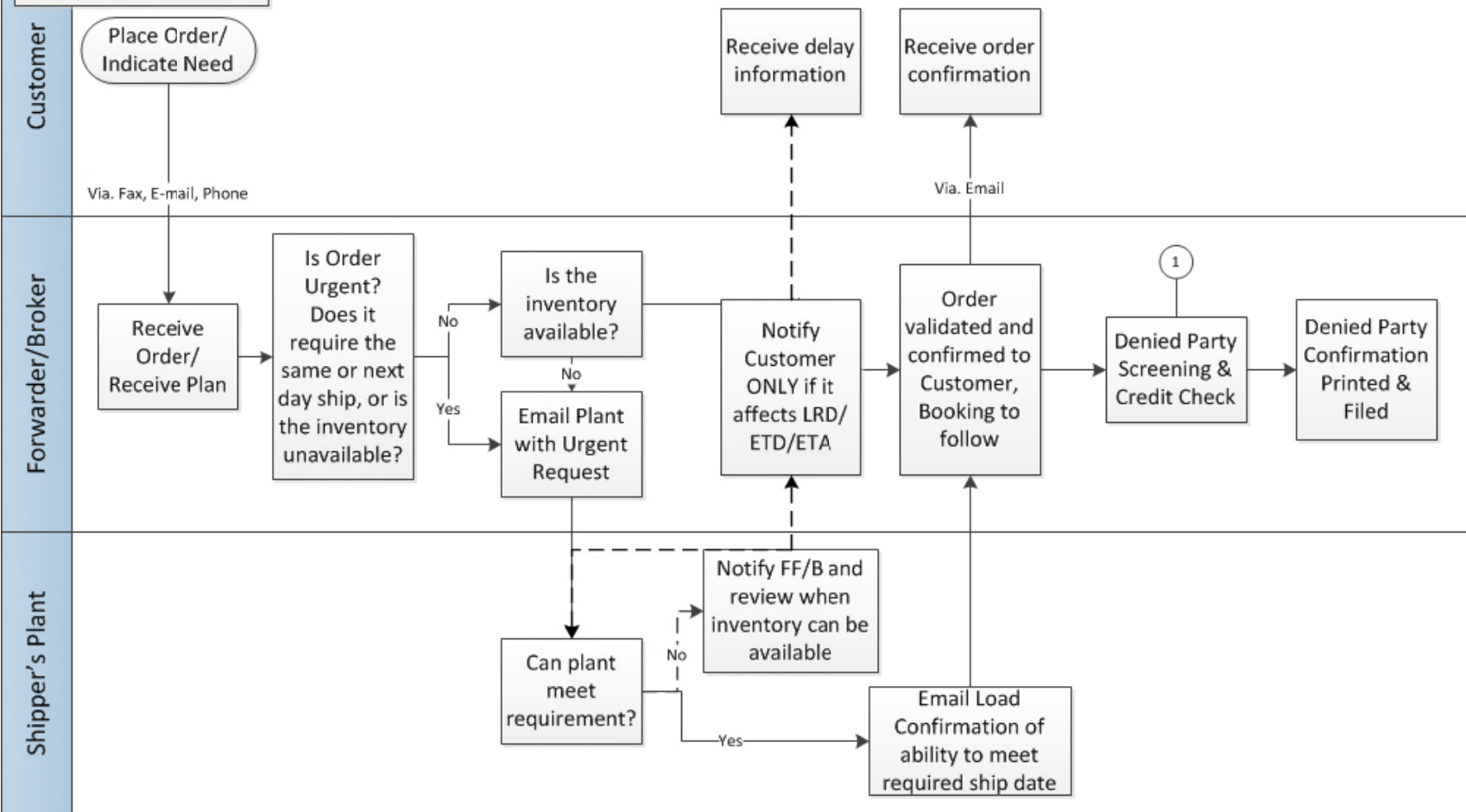
Commodity *Education Package*

Group: Commodity

Category: Option 4

Option 4 Export Process Flow (1)

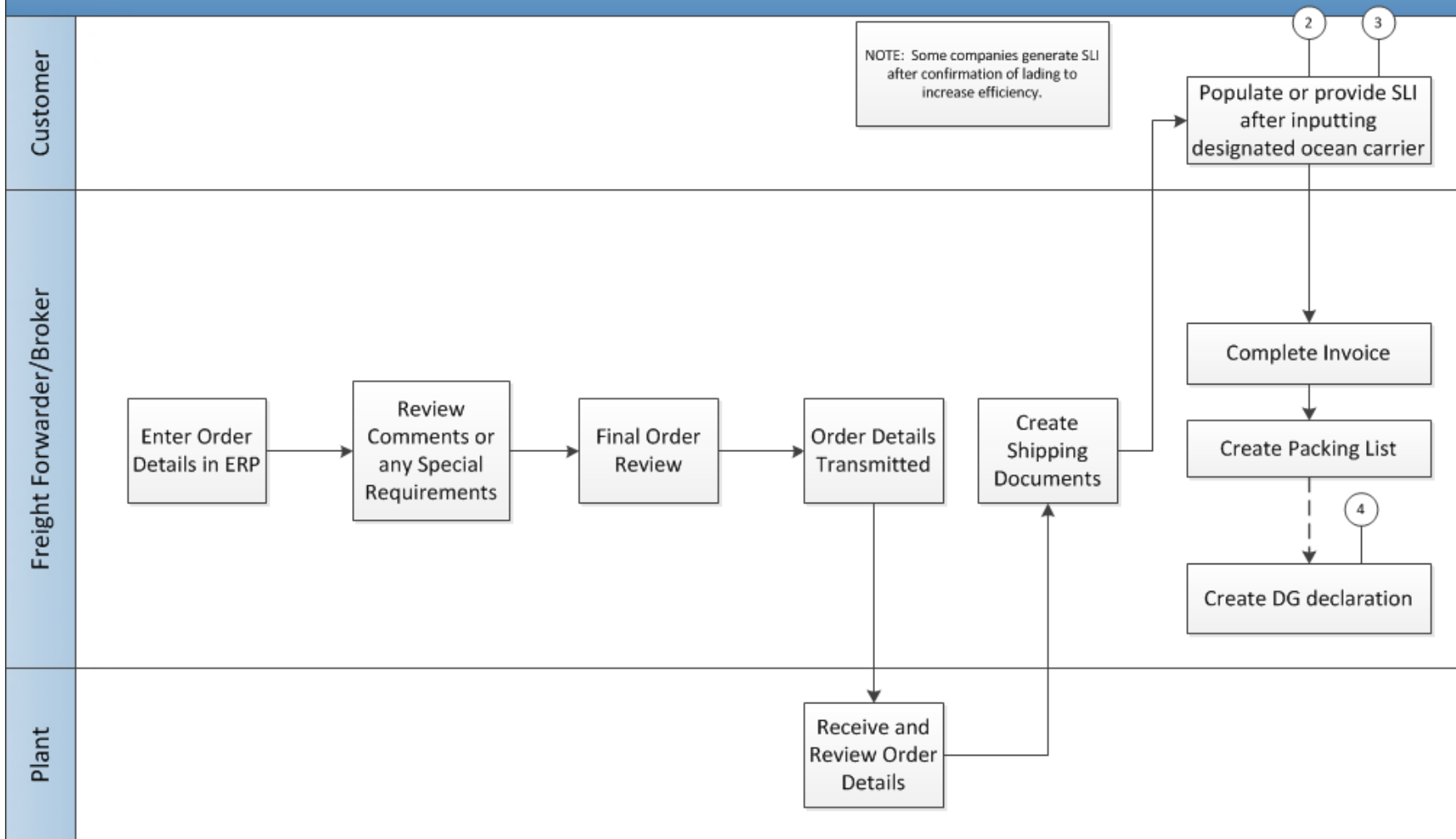
NOTE: This process begins with an order, and is representative of only some exporters. This flow was provided to reflect all possibilities, and should be read accordingly.



Areas of Opportunity:

1. Multiple lists, risk of missing a list, process for resolution assistance is unclear/unresponsive.

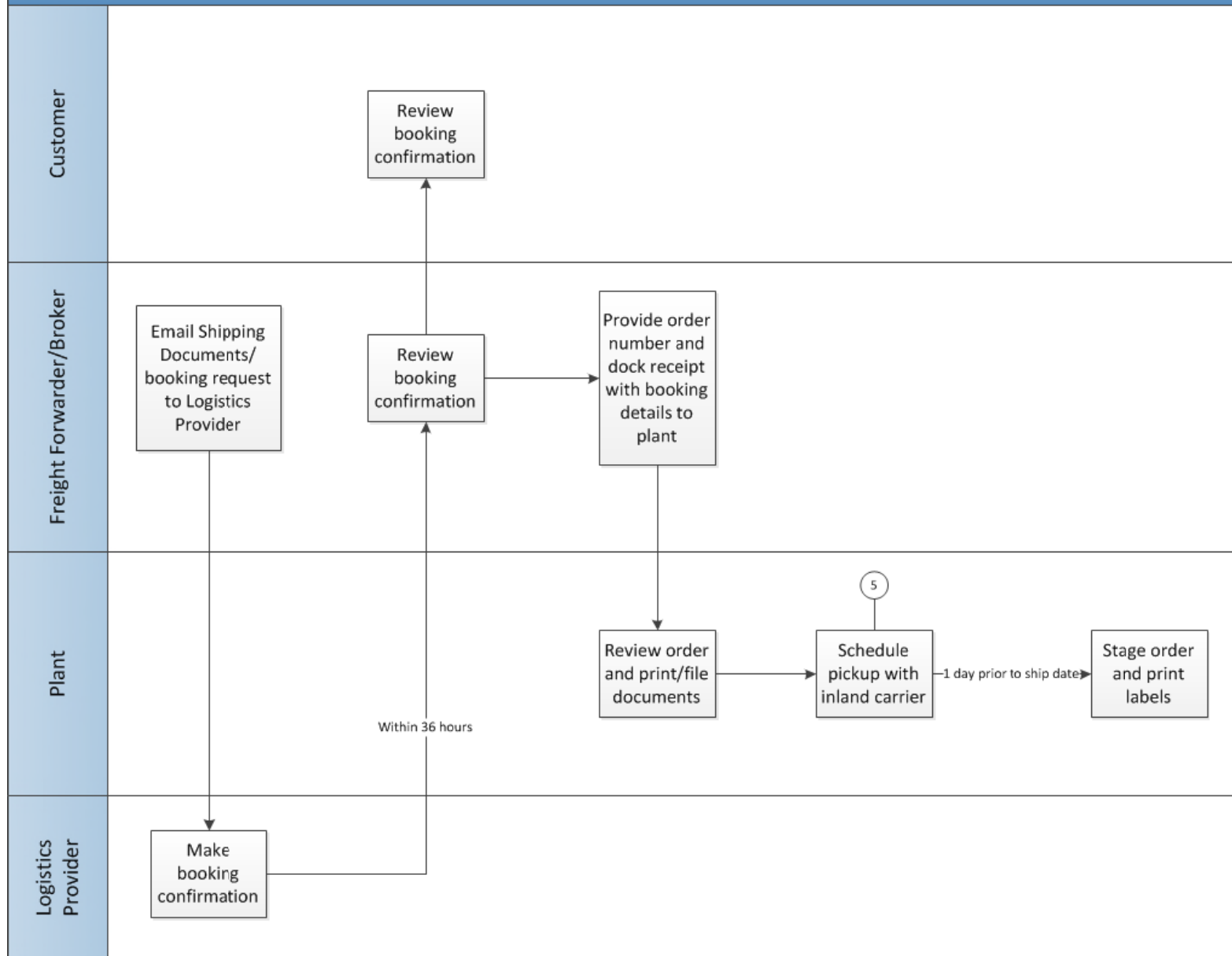
Option 4 Export Process Flow (2)



Areas of Opportunity:

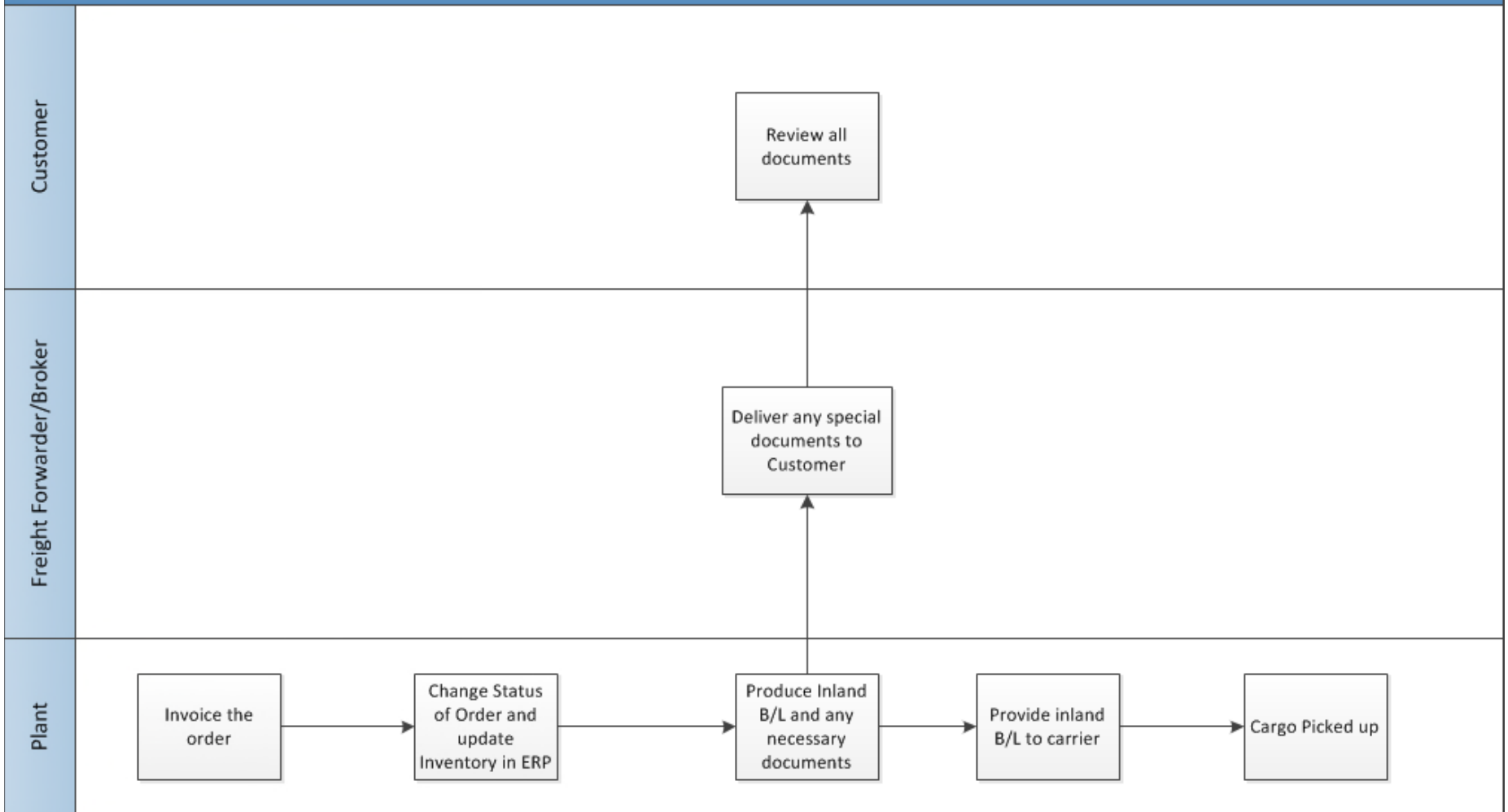
2. Holding SLI for transportation information
3. Providing paper SLI to filer causes EEI errors
4. Manual HazMat Documents and other government agency documentation

Option 4 Export Process Flow (3)

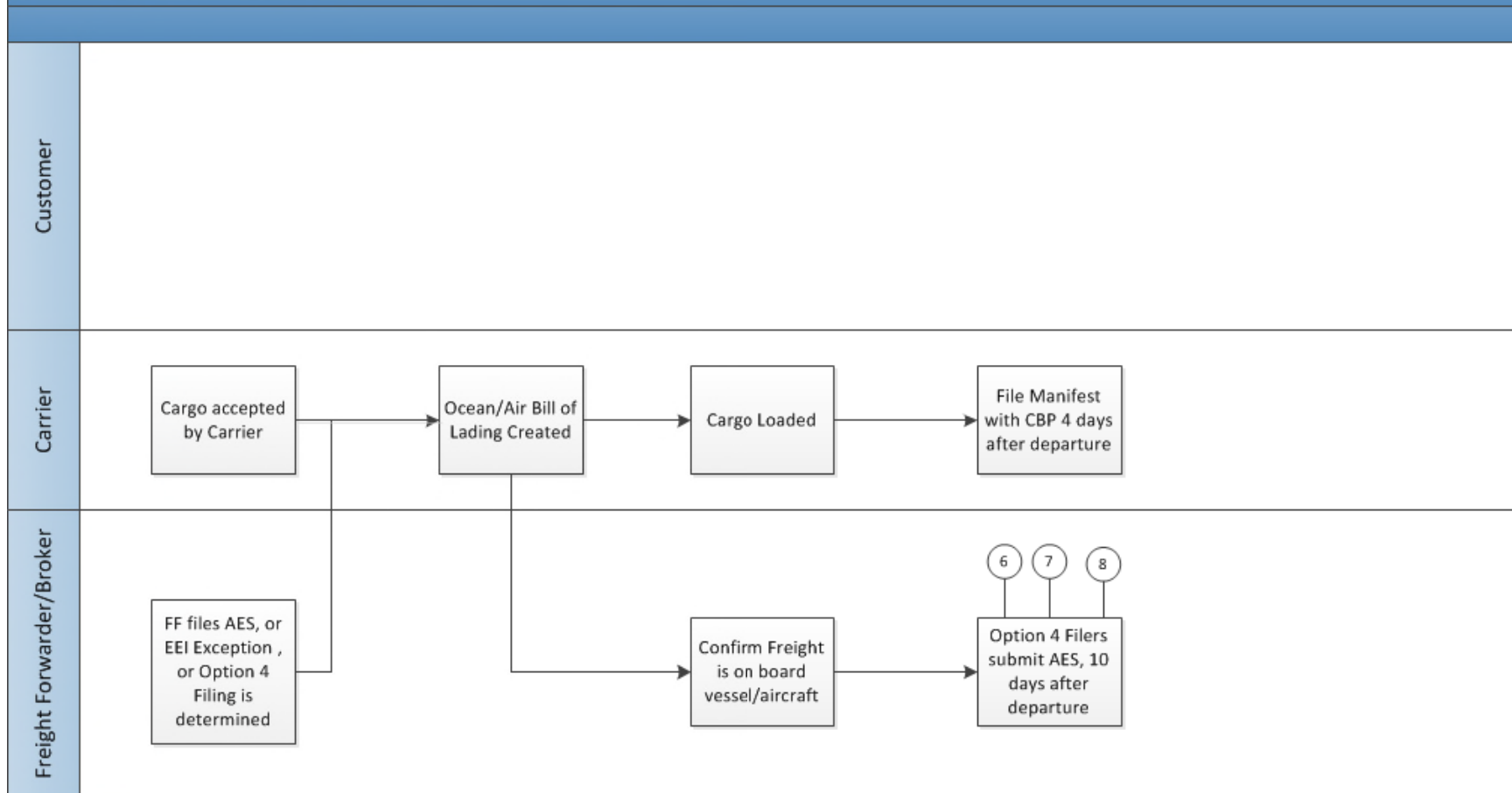


5. Missing Pickup/Dropoff windows causes Letter of Credit updates (conveyance availability, weather, etc.)

Option 4 Export Process Flow (4)



Option 4 Export Process Flow (5)



6. Misunderstanding of Filing Role by Parties may cause a Failure to File.
7. Lack of real-time filing data availability for non-filers but named and authorized parties.
8. Annual data requests are provided in varying formats year over year.

Option 4 Solutions

- The option 4 process allows exporters/filers to:
 - Increase accuracy of filings and decrease re-transmissions. Due to filing timing closely representing a final business transaction, accuracy is increased while revisions are decreased.
 - Operate at the speed of business. Business negotiations cause (sometimes frequent) change to quantity/value, port of export, conveyance, customer, etc. for a particular transaction. AES option 4 allows for this change without the burden of costly re-filings.
- Solutions:
 - Provide an automated real-time portal for authorized parties to review filings. Portal should include fixed reports for download.
 - Increase AES filing amount from \$2500.
 - Provide a single denied party screening list.
 - Automate manual data submissions.

COAC Export Mapping Work Group

Manifest Education Package

Group: Manifest

Category: All Transport Modes - Introduction

Manifest Initial Solutions Overview

- Standardize the CBP approach to developing pilot strategies and concepts, and communicate in advance through industry partnerships and trade associations
- Apply cost/benefit and risk-management analysis to new requirements
- Incorporate “ACAS Best Practices” in development of automated export system for all modes
 - Utilize Industry-standard messaging when possible
 - Promote early submission of data by decoupling shipment and transport information
 - Impose requirements on the supply chain party having direct knowledge of it, per the mandate of the Trade Act of 2002, in order to:
 - Allow early targeting and hold resolution, and
 - Secure delivery of more accurate data to the government
 - Eliminate burdensome inter-party communications, filing corrections, and manual carrier AES data entry (and associated data entry errors).
- Facilitate transparency by enabling simultaneous, real-time status updates to all data submitters.
- Incorporate in-bond functionality / document submission
- Ensure seamless multi-modal functionality for inter-modal shipments
- Harmonization and elimination of duplicative regulatory requirements at the U.S. border with Canada and Mexico for rail and truck carriers

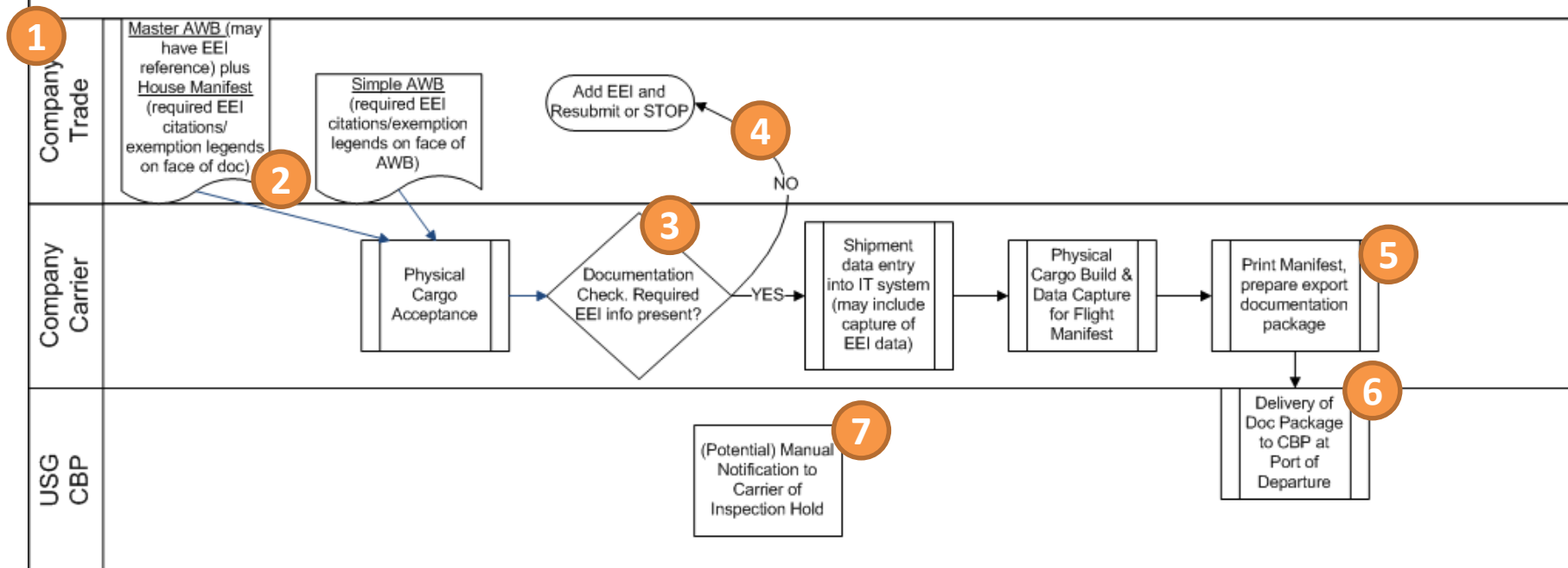
COAC Export Mapping Work Group

Manifest Education Package

Group: Manifest

Category: Air

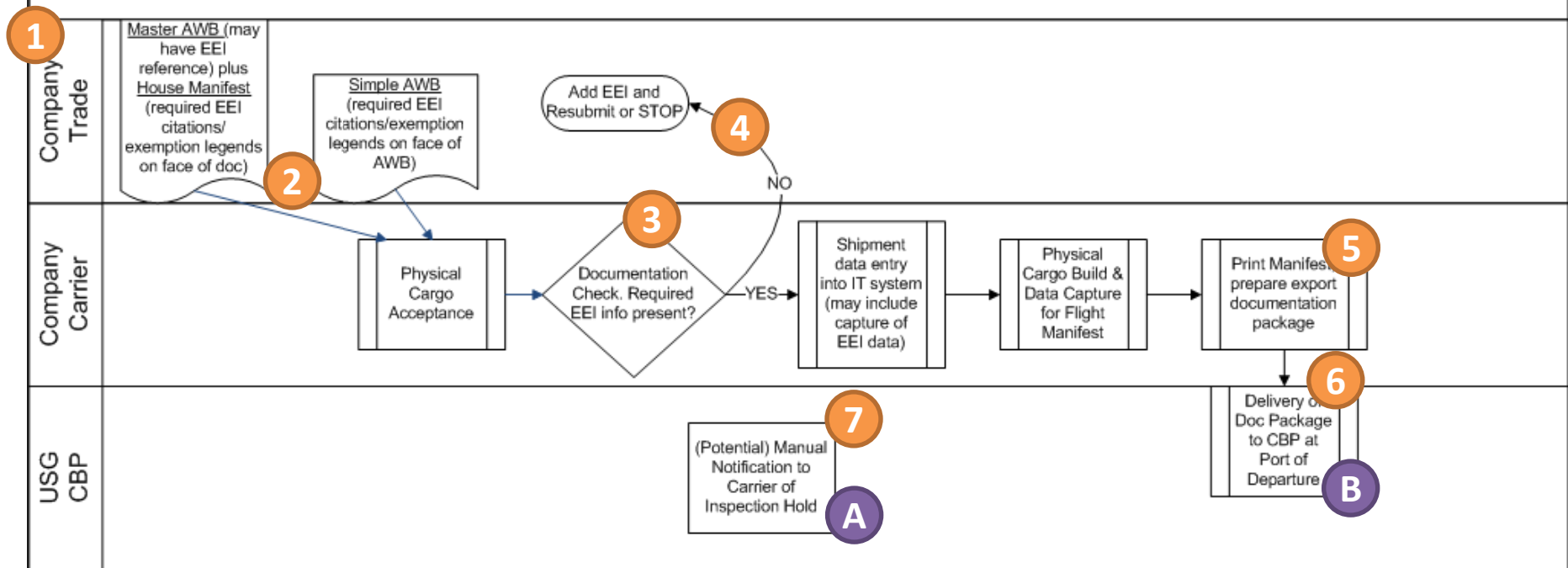
Export Manifest Air – Step 1 – Current Process for Non-Split Shipments



Explanatory Notes:

1. "Trade" - Cargo may be tendered to the carrier directly by the shipper or by an intermediary such as a freight forwarder/IAC.
2. Per 15 CFR 30.7, USPPI or his authorized agent must provide proof of filing citation, post-departure filing citation, AES downtime filing citation or exemption/exclusion legend to the exporting carrier on the first page of the BoL (for air, the house air waybill is the equivalent document), AWB, or other commercial loading document. In some cases, the carrier may offer services as an agent of the USPPI and complete the AES filing itself. Note, in the case of express carriers, shipments are accepted as individual house bills, with MAWB creation by the carrier itself much later in the process.
3. Per 15 CFR 30.45(f) and 19 CFR 192.14 (and the revised 15 CFR 30.3(c)(3), as issued in a final rule by Census on 14MAR13), carriers are not permitted to load cargo without all proof of filing citations, or exemption/exclusion legends, therefore an EEI check is normally performed at cargo acceptance.
4. At this point, carriers may accept the shipment and hold it until data is provided, or refuse to accept the shipment, or if acting as the agent of the USPPI, enter the required AES data and/or exemption legend.
5. Per 15 CFR 30.7 and 19 CFR 192.14, carriers are required to annotate the proof of filing citation, exemption or exclusion legend on the carrier's outbound manifest, and present the appropriate proof of filing citation or exemption legend to the CBP Port Director at the port of export. Per 15 CFR 30.45, for consolidations carriers are required to state "Cargo as per bills of lading attached" (often "Cargo as per attached house manifest" for air carriers) on the manifest, and attach the bills of lading or other commercial documents with the filing citation (for all shipments requiring an AES filing).
6. Per 19 CFR 122.72, air carriers are required to file an export cargo manifest and required Shipper's Export Declarations (paper SED requirement superseded by current AES requirements in 15 and 19 CFR) at the port of export. Per 19 CFR 122.74, carriers (with some restrictions) may file the full manifest with AES filing citations up to 4 days after flight clearance/departure.
7. Per 19 CFR 192.14, after notification from CBP, carriers must deliver cargo identified as high-risk to CBP for inspection, or if already departed, redeliver the cargo in accordance with the terms of the carrier's international carrier bond.

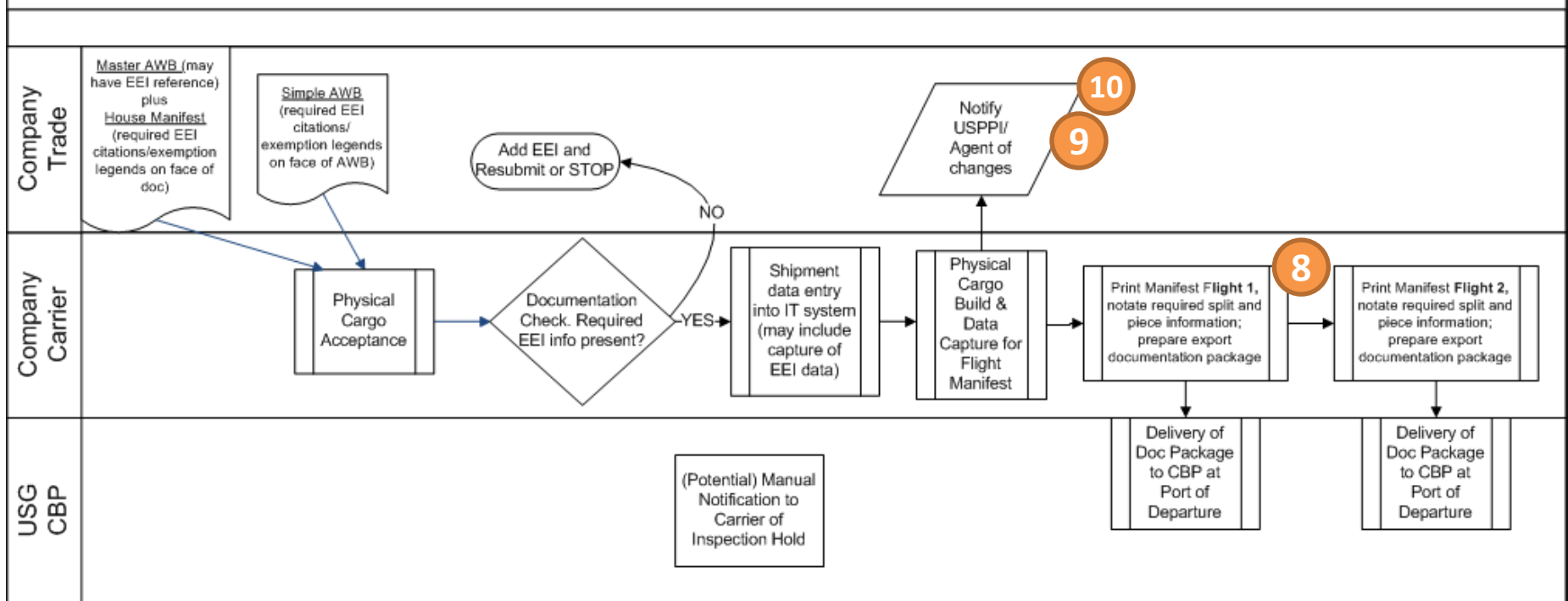
Export Manifest Air – Step 1 – Current Process for Non-Split Shipments



Current Areas of Opportunity:

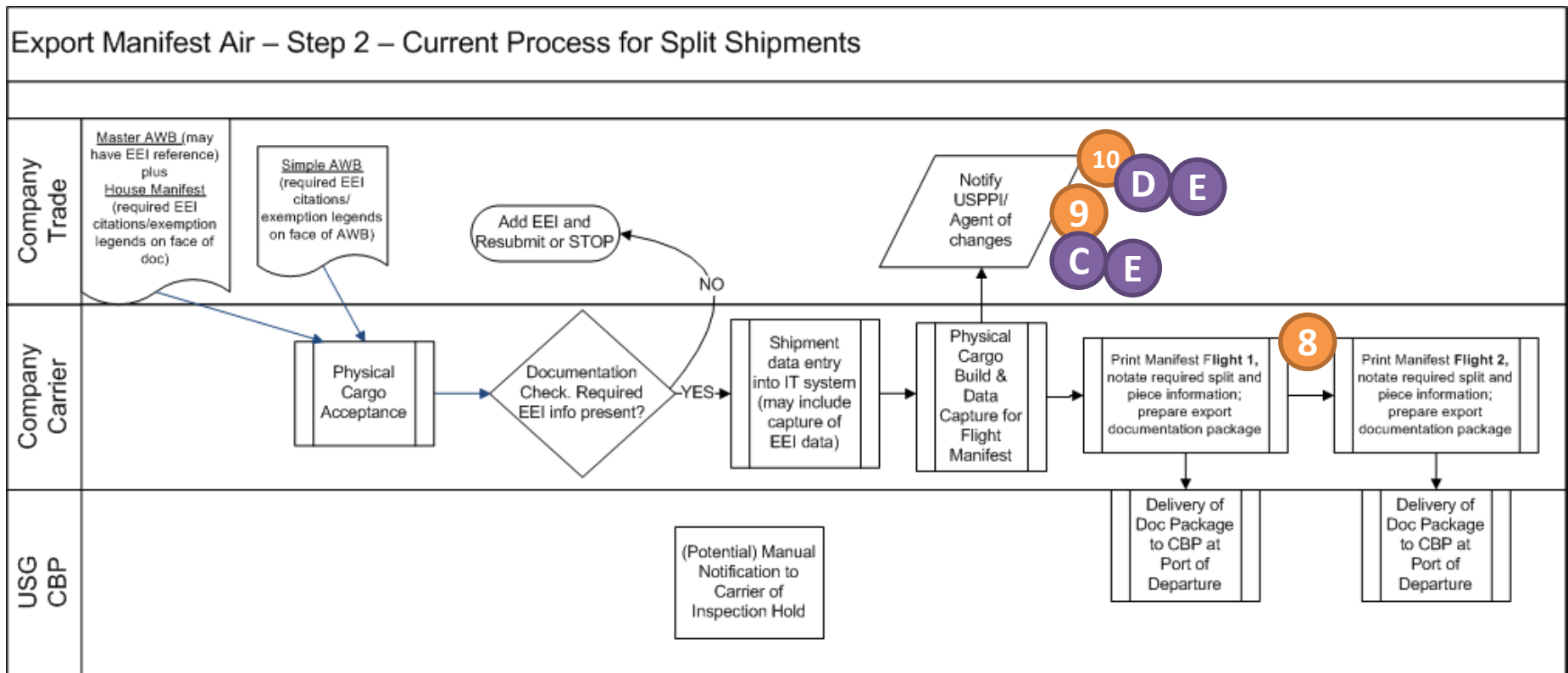
- Unclear resolution processes, and significant port-to-port variation, for shipments on hold for inspection.
- E-freight implications: Because carriers are required to file a paper manifest by 19 CFR 122.72, and required by 15 CFR 30.45 to attach bills of lading or other commercial documents with AES filing citations to the manifest, it is difficult if not impossible to move to a paperless e-freight environment for freight outbound from the U.S.

Export Manifest Air – Step 2 – Current Process for Split Shipments



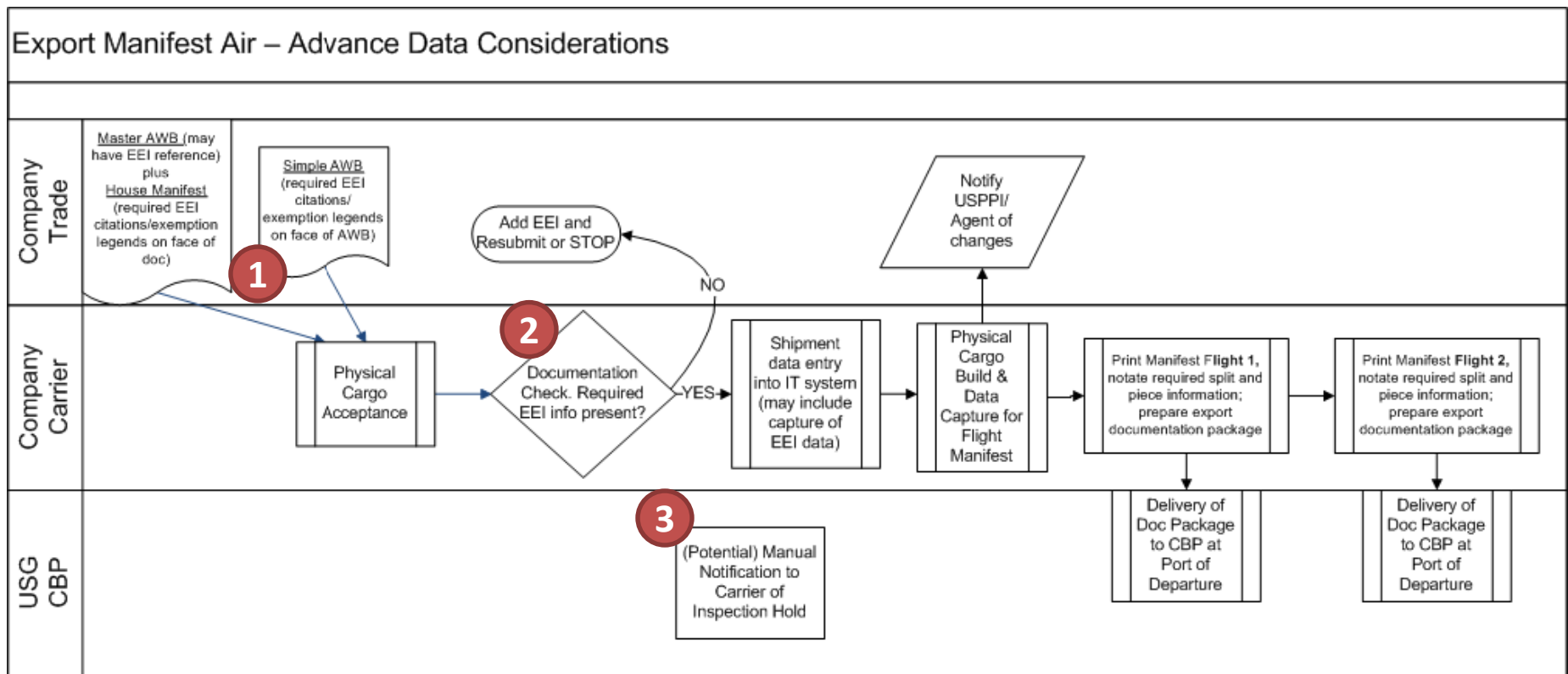
Explanatory Notes:

8. Per 15 CFR 30.28 and 15 CFR 30.45, carriers must notate the manifest of each flight with split shipment information.
9. Per 15 CFR 30.45, if the split is between the intended carrier and another carrier – a “partially exported shipment” - the carrier must notify the USPP/ or his authorized agent of “changes to the commodity data” to allow the USPP/Agent to correct his AES filing.
10. Per the revised language of 15 CFR 30.28 and 30.3(c)(3), as amended by the final rule published by Census on 14MAR13 (effective 01JAN14), and as expected to be further amended by an FTR letter not yet issued, when an carrier splits a shipment over flights where the last piece of the shipment departs from the US more than 7 calendar days after the first piece departed, the carrier must notify the USPP/Agent of the transportation information and a new EEI must be filed /amendments made to the previous filing. Until the referenced FTR letter is issued, a time limit of 24 hours, in place of 7 calendar days, is applicable to air shipments. The 6-day extension to the original time limit was agreed to by Census, CBP and industry after intensive discussion and analysis of air carrier operational scenarios, and should eliminate the vast majority of problems that would have arisen from implementation of the original 24-hour time limit.



Current Areas of Opportunity:

- C. The required commodity-level notification requirement for shipments split over more than one carrier presents a key problem (15 CFR 30.45): carriers manifest and track shipments at the master AWB level, therefore the carrier cannot know how the split / partial-export affects the commodity data. Carriers would like to see all references to carrier responsibility for commodity-related data updates removed from the FTR. (Note – Census has expressed an intention to remove the 30.45 specific notice requirement that references commodity data in a future rulemaking, replacing it with a reference to the notice required by 30.3(c) that is applicable to transport data only. When this is complete, this trouble spot can be deleted.)
- D. The revised language of 15 CFR 30.3(c) (from 14MAR13 FTR final rule), will require carriers to notify the USPP/Agent of changes to transport data in the case of split shipments as defined under 15 CFR 30.28. (Note – the revised export time limit from 24 hours to 7 calendar days - referenced on slide 4 - for full export should eliminate the negative operational impact of the rule for the vast majority of shipments. When the FTR letter with the time-limit extension is issued, this trouble spot can be deleted.)
- E. The notification requirement for carriers is not well-defined – what constitutes “notice”? Carriers would like to see U.S. Census clearly state that a carrier’s provision of internet track and trace services to customers, recognizing the standard nature of e-business and internet use today, suffices for the notice required by 15 CFR 30.3(c) (and for the current 15 CFR 30.45).

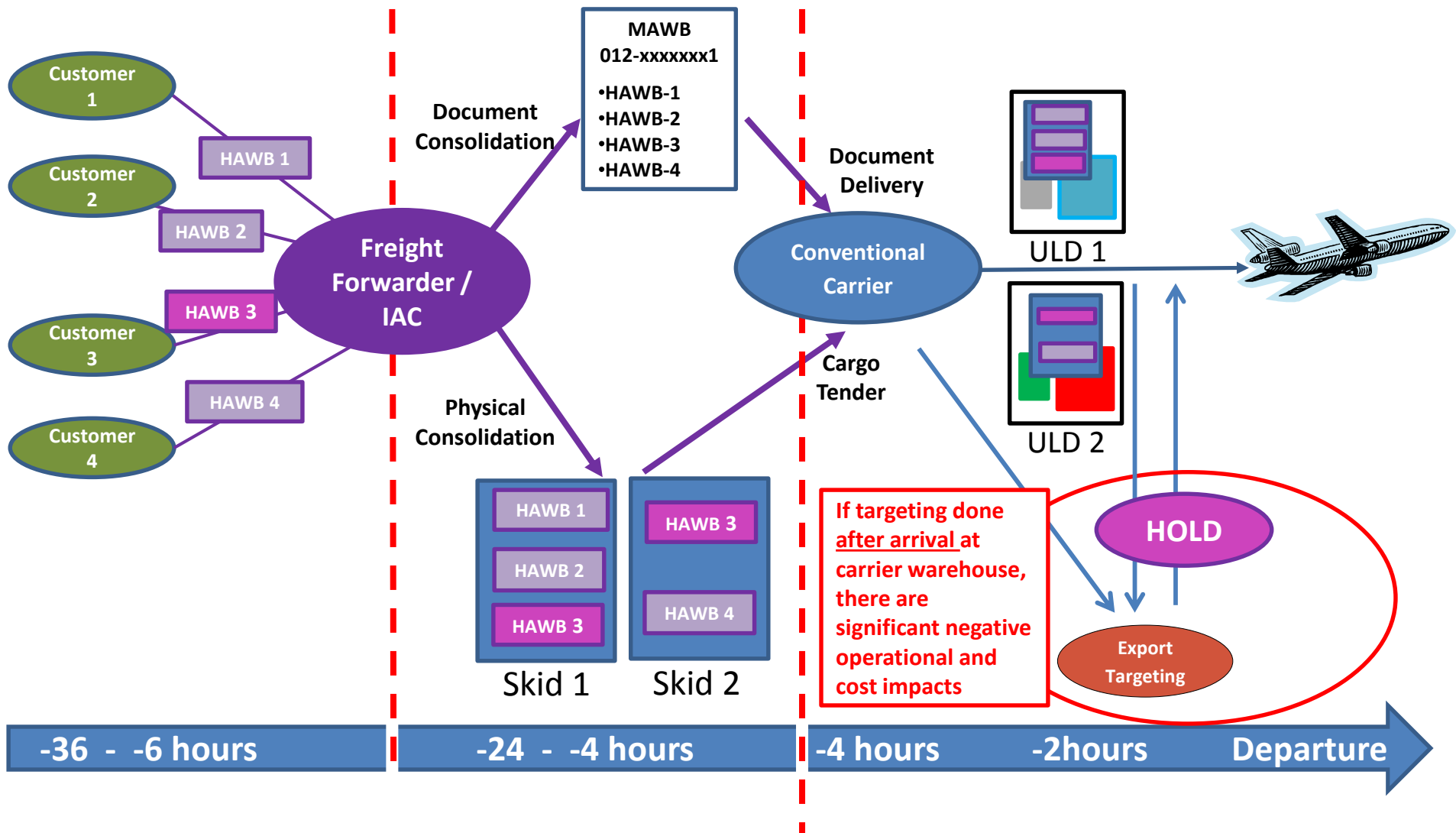


Potential Future areas of opportunity Related to Advanced Data – these relate primarily to a lack of certainty on the planned functionality of the new automated export system

1. How will CBP obtain shipment data for export targeting for shipments with AES exemptions/exclusions? Can the current security regulatory structure (e.g., security programs for IACs, CCSFs) be leveraged to acquire house level data early in the supply chain - prior to selection of a carrier and assignment of a MAWB# - similar to ACAS functionality on the import side?
2. Will the manual citation check process that carriers perform at acceptance be replaced by an electronic system, and if so, what will it look like? E.g., for shipments requiring AES filings, will carriers be required to verify the validity of citations? Or instead, will the need for the carrier to check citations be eliminated by a system linking of the AES ITN to the shipment bill number earlier in the process? Will electronic “holds” be delivered directly to the carrier’s system?
3. We assume that the availability of advance data in electronic form (especially for shipments such as AES exempt/excluded where no advance electronic data is available today) will result in an increased number notifications to carriers to hold/deliver shipments for inspection, especially in the early period of implementation. Air cargo export processing is time-pressured, particularly at the point where shipments arrive at the air carrier’s warehouse, thus late targeting of shipments will result in significant operational disruption. What measures does CBP plan to implement to minimize the potential negative impacts on operations (e.g., SLA commitment from CBP, “redelivery” option included in the regulatory framework for shipments that have already been built/manifested/loaded but not departed, provision of an “export assessment complete” message to carriers who elect to receive it, etc.)?

For shipments with AES exemptions/exclusions, the carrier will not have access to the House Air Waybill data necessary for export targeting until a much later point than the forwarder/IAC.

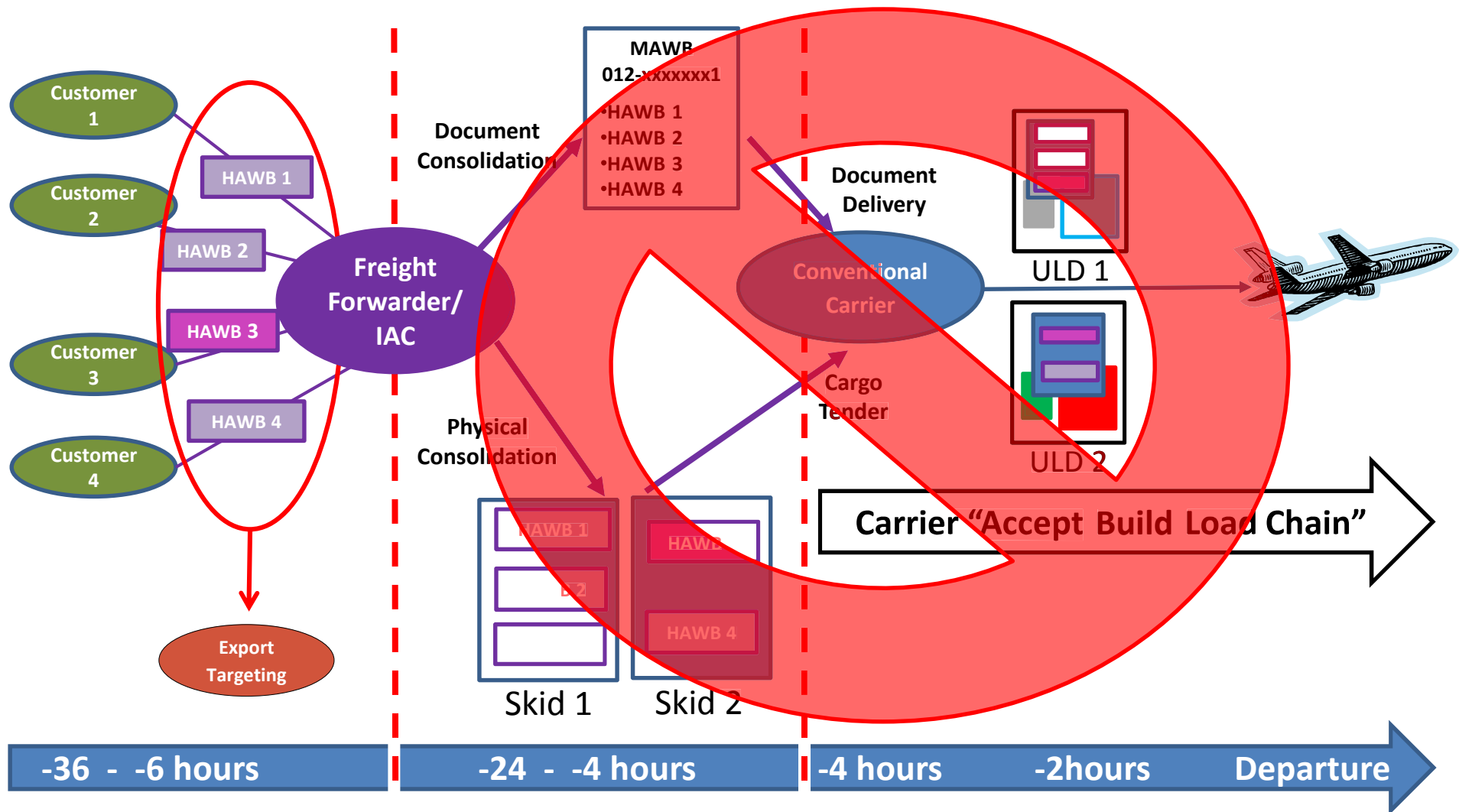
The Forwarder/IAC has this data very early because it creates and “owns” the house bill.



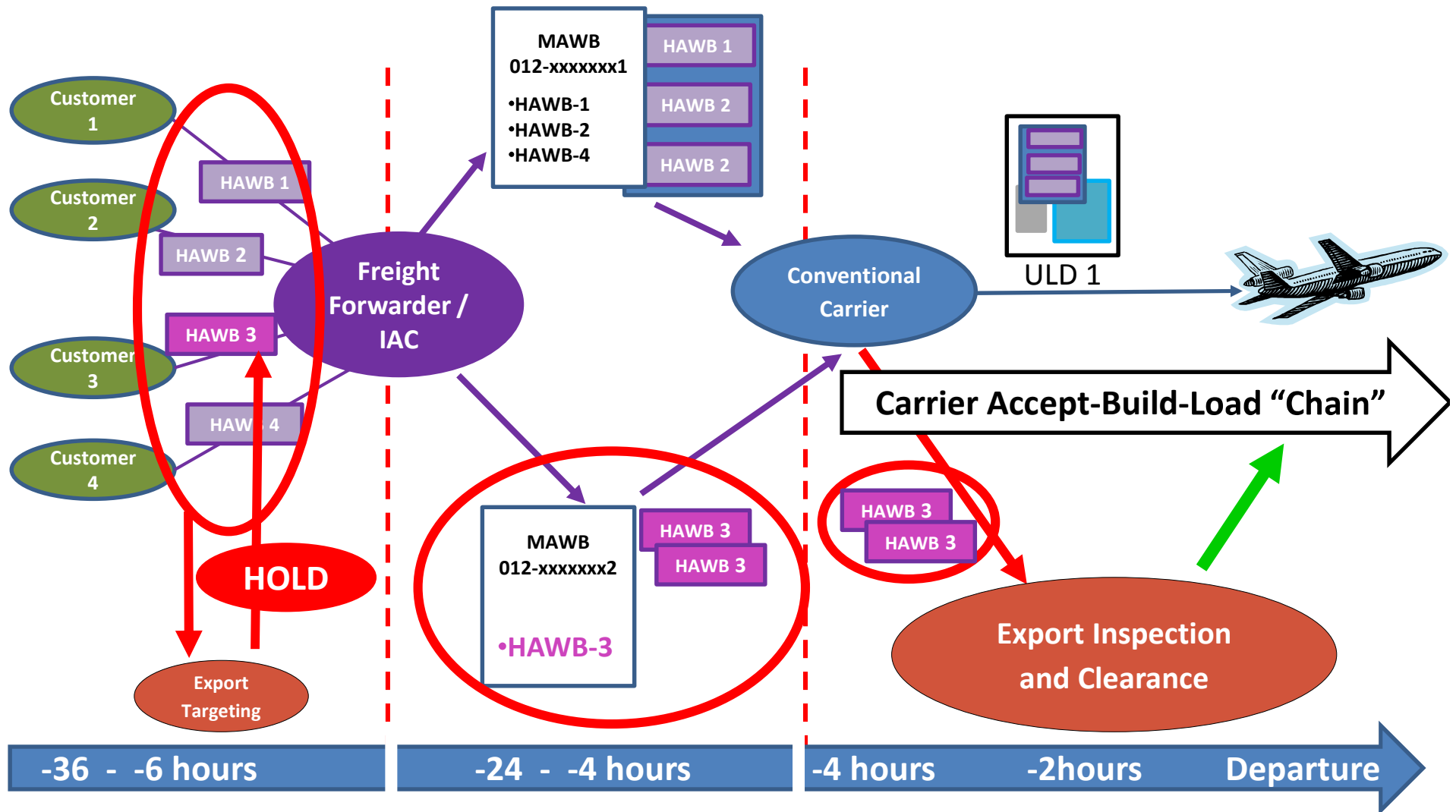
If export targeting done after arrival at carrier warehouse, there are significant negative operational/cost impacts

- 1) Warehouse disruption – warehouse flows are cleanly divided into EXPORT – in which ULDs are built up for loading and departure, and IMPORT – in which ULDs are broken down for transit or delivery processing. If a shipment must be retrieved from an already built ULD on the EXPORT side, it involves inserting an import process into the middle of the export chain, which carrier warehouses have neither the space nor staff to handle.
- 2) Flight delays – if the ULD or ULDs containing a shipment with a hold have already been loaded onto an aircraft and now must be unloaded (likely requiring the unloading and reloading of many additional ULDs to reach the problem ULDs), flight delays are likely. For passenger carriers this is a particular concern as international wide-body flights may carry 200-500 passengers with connecting flights at the arrival gateway station.
- 3) Lost capacity – if a shipment is identified in the hours close to departure and the ULD or ULDs it has been built into must be pulled for break-down to retrieve the shipment, it will not be possible for the carrier to secure replacement cargo and build replacement ULDs in time for departure. The flight will depart with empty cargo positions – a significant revenue hit for carriers who already operate with slim profit margins today.
- 4) Customer dissatisfaction – air carriers will also need to deal with the dissatisfied customers whose shipments have missed their flight departures because they had the bad luck of being built into the same ULDs as a problem shipment.

Pulling freight forwarders / IACs* into export data transmissions eliminates supply chain inefficiencies for all parties, and is in line with the Trade Act's mandate to obtain information from the party with direct knowledge thereof.



CBP inspection can take place at the forwarder/IAC facility prior to consolidation, or shipments with export holds can be segregated prior to delivery to the carrier. The carrier will segregate these shipments and not place them into the “accept-build-load” chain until inspection/clearance is complete.



The air export initial solutions take the following into account:

- **Air cargo is distinguished from other modes of transport by three key characteristics:**
 - The urgent and flexible movement of high-value goods is the hallmark and competitive advantage of the air cargo business model.
 - Aircraft cargo capacity is hard to predict and varies based on many factors (weather, flight path, mechanical limitations, passenger load factors) right up until flight departure.
 - Limited capacity and tight profit margins require carriers to maximize every available cubic meter of capacity through efficient cargo build-up that may result in a single shipment being spread over multiple aircraft ULDs.

Because of the above characteristics (and in sharp contrast with the air passenger business model), last-minute cargo transport arrangements are common, and specific cargo flight bookings are provisional only. Considerable contractual flexibility - based upon the air cargo product that the customer has purchased - is given to the carrier regarding delivery-time parameters and routings, giving rise to last-minute split shipments, changes to the export date and/or changes to the export port as a normal part of standard air cargo processing. Therefore, how the USPPi intends to export his shipment and how it is actually exported by the carrier are two fundamentally different concepts.

- **Additionally, air cargo is part of the standard multi-party supply chain model that includes exporters and shippers (and their agents), one or more forwarders/consolidators, and one or more carriers:**
 - The nature of the relationship between carriers and USPPis is often attenuated and indirect, with these parties separated by one or more intermediaries.
 - Each party fulfills one or more functions in the export chain, and is the creator or owner of certain data required by the government for export reporting.
 - This multi-party supply chain characteristic was explicitly recognized by Congress in the 2002 Trade Act, in particular by its mandate that data requirements be imposed on the party with direct knowledge of the information.
- **We note that considerable progress is already being made to better align export regulations to modern supply chain realities:**
 - With the exception of 15 CFR 30.45, Census has removed carrier responsibility for commodity information from the FTR, and has expressed the intention to remove this last remaining commodity responsibility from carriers in a future rule-making.
 - Census and CBP have agreed to an extension of the 24-hour time limit on air split shipment export to 7 calendar days, eliminating the vast majority of problems that would have been caused by implementation of the original time limit.
 - With the advent of the automated export manifest system, Census has expressed its intent to revise the responsibilities of USPPis with regard to reporting transport information.

Air Export Solutions

- **Immediate recommendations**

- Revision of the 15 CFR 30.28 split shipment time limit for air shipments from 24 hours to 7 calendar days (Census has expressed its intention to issue an FTR-letter with this extension in the next few weeks)
- Revision of 15 CFR 30.45 to remove carrier responsibility for commodity information (Census has expressed its intention to remove the reference to commodity information from this provision in a future rule-making)
- Clarify the definition of “notice” to the USPPI throughout the FTR, in particular confirming that the carrier’s provision of shipment tracking information via the internet and/or automatic notification tools (already offered by carriers and in wide use today) constitutes compliance with the FTR’s notice provisions.
- Consideration of interim support of the air cargo “e-cargo” export initiative, from both the IT and policy sides, via a pilot program utilizing data transmissions similar to the ACAS pilot and/or the ocean manifest DIS pilot.
- Standardization of Export Processing across Ports of Export – more details and specific recommendations to be provided when the COAC Carrier Export Survey results are in.

- **Recommendations for the automated export system**

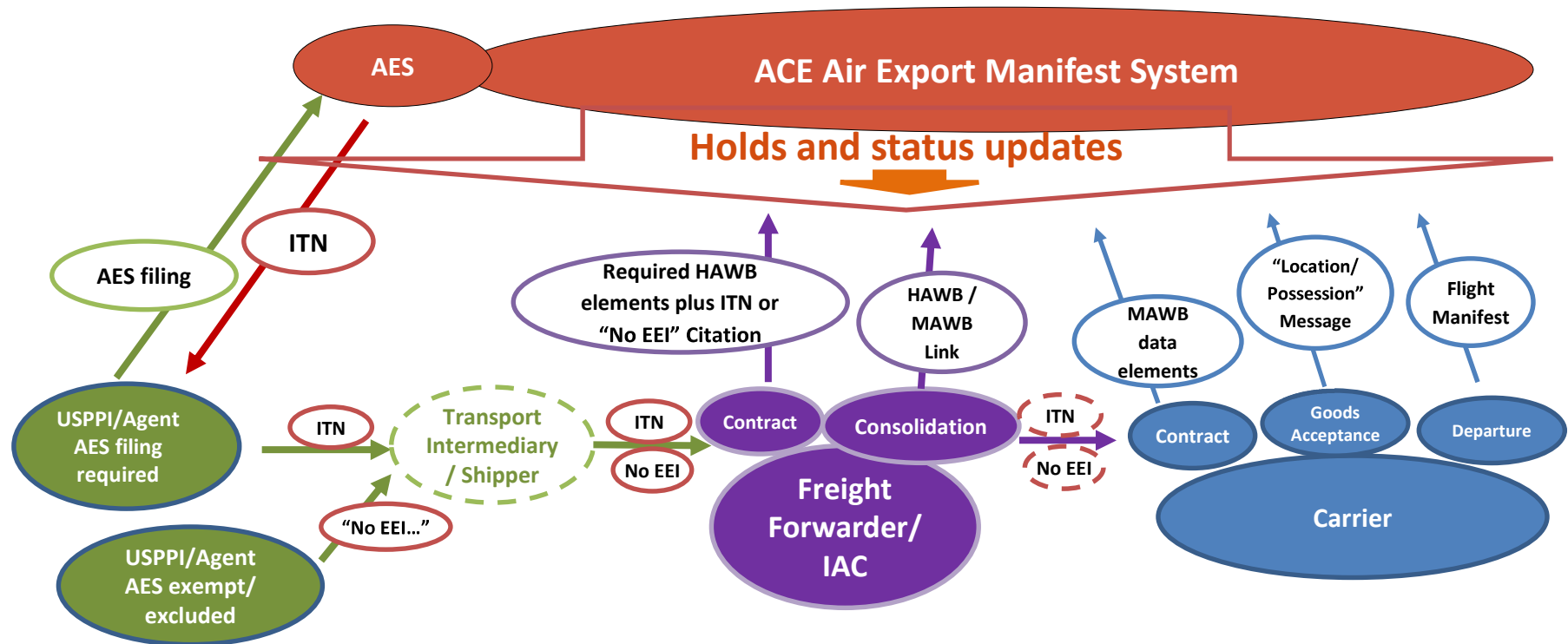
- Establish seamless electronic transition from the first AES information submission to the final flight manifest submission via progressive filing* and the consecutive linking of AES data to house bill data to master bill data to the flight manifest, with each link being provided by the export supply chain party who “owns” that particular data. This will require both IT and regulatory attention. Examples of how progressive filing and consecutive linking could work are provided on the next few slides.
- Consider any transport information required from the USPPI as “provisional”, and automatically override the USPPI data with the carrier’s actual transport data submission when received.
- For holds issued after an air carrier has already accepted and begun processing of a shipment, ensure that the regulatory regime provides an option to continue export of the shipment but return it to the United States within a specified time frame, and/or an option for inspection at the destination station. (Note – this applies only for shipments that do not pose a security threat to the aircraft.)

**Progressive filing denotes a process in which one or more parties submit limited subsets of the total required data elements over a period of time, which are compiled by the receiving IT system into a final comprehensive filing.*

Implementation of the above will:

- *Ensure the most accurate data is delivered to the government by imposing requirements on the supply chain party having direct knowledge of it, per the mandate of the Trade Act of 2002;*
- *Allow government targeting of export shipments to take place at the earliest possible supply chain milestone, and be resolved well in advance of planned departure, thus facilitating the United States’ export competitiveness, rationalizing the compliance burden on the exporting carrier and maintaining air carriers’ operational efficiency at time-pressured, space-limited carrier warehouses; and*
- *Eliminate burdensome inter-party communications, filing corrections, and manual carrier AES data entry (and associated data entry errors), and facilitate transparency by enabling simultaneous real-time data updates to all data submitters in the progressive filing chain.*

Example #1 – Progressive Filing / Consecutive Linking



In a progressive filing system, each party involved in the export of a shipment provides the data subset that relates to the function(s) it fulfills. As illustrated above, each supply chain party accomplishes one or more milestones along the export path – AES filing (or determination of exemption/exclusion), HAWB contract, MAWB consolidation, MAWB contract, physical goods acceptance, and manifesting.

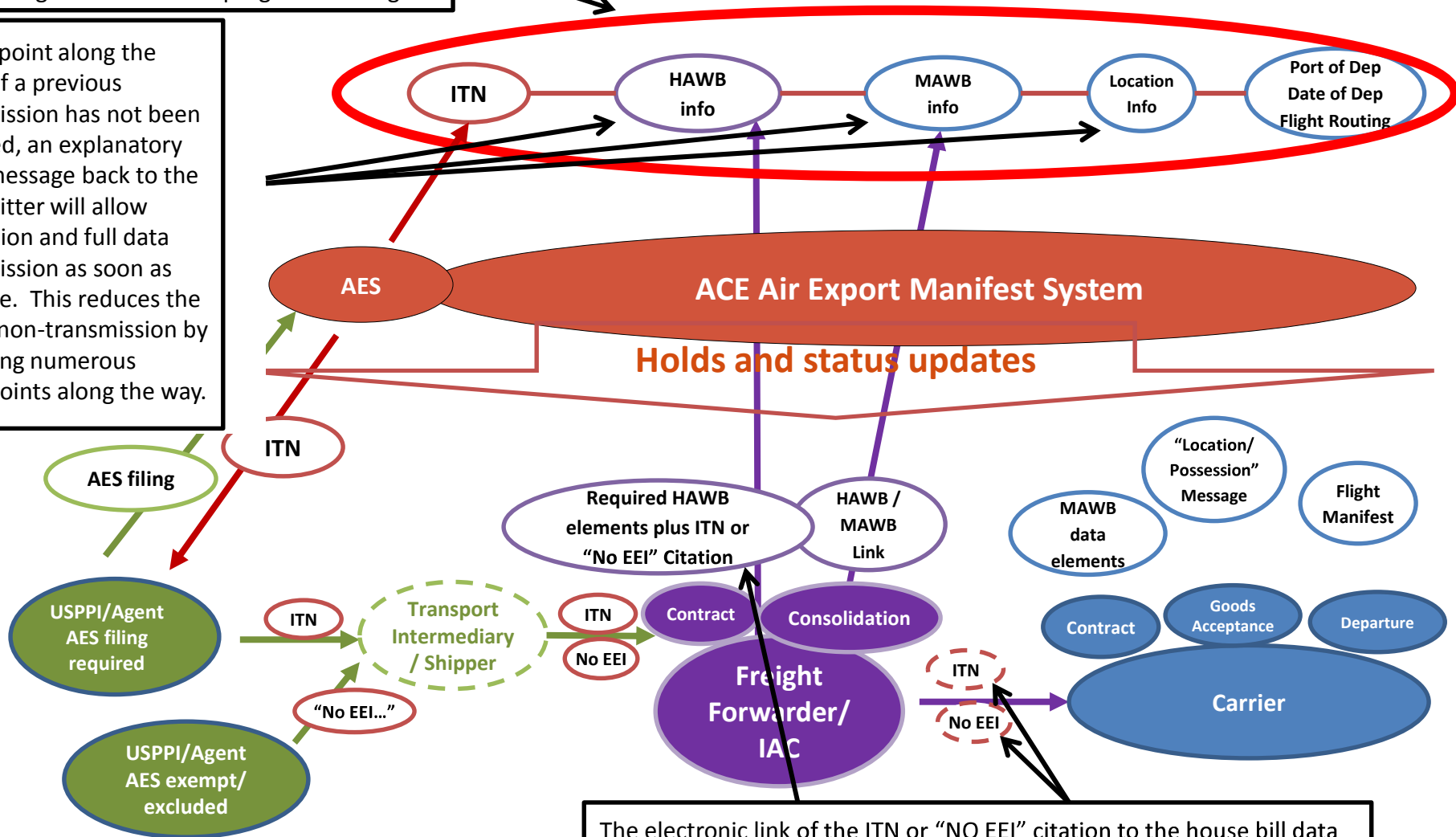
The advantages to this system are many:

- CBP inspection can take place at any point along the progression, as soon as it is known that a shipment has a hold.
- At the point of cargo acceptance, the carrier can transmit a notification message to the system to indicate location for inspection. Because the status of most shipments will already be known due to the earlier targeting, it can also segregate shipments with holds. Such a system will facilitate CBP inspection while protecting air carrier warehouse operational efficiency and reliability. In this manner, all cargo will be "cleared for export" at the shipment level before being manifested onto a flight, allowing the flight manifest to remain a post-departure submission to confirm export.
- Simultaneously, each party providing information to the system is automatically hooked into it as "default secondary notify parties", and would receive status updates appropriate to its role as a shipment moves through the export process and is updated/amended by other parties.

Each submission of data adds a new link to the “progressive filing chain”

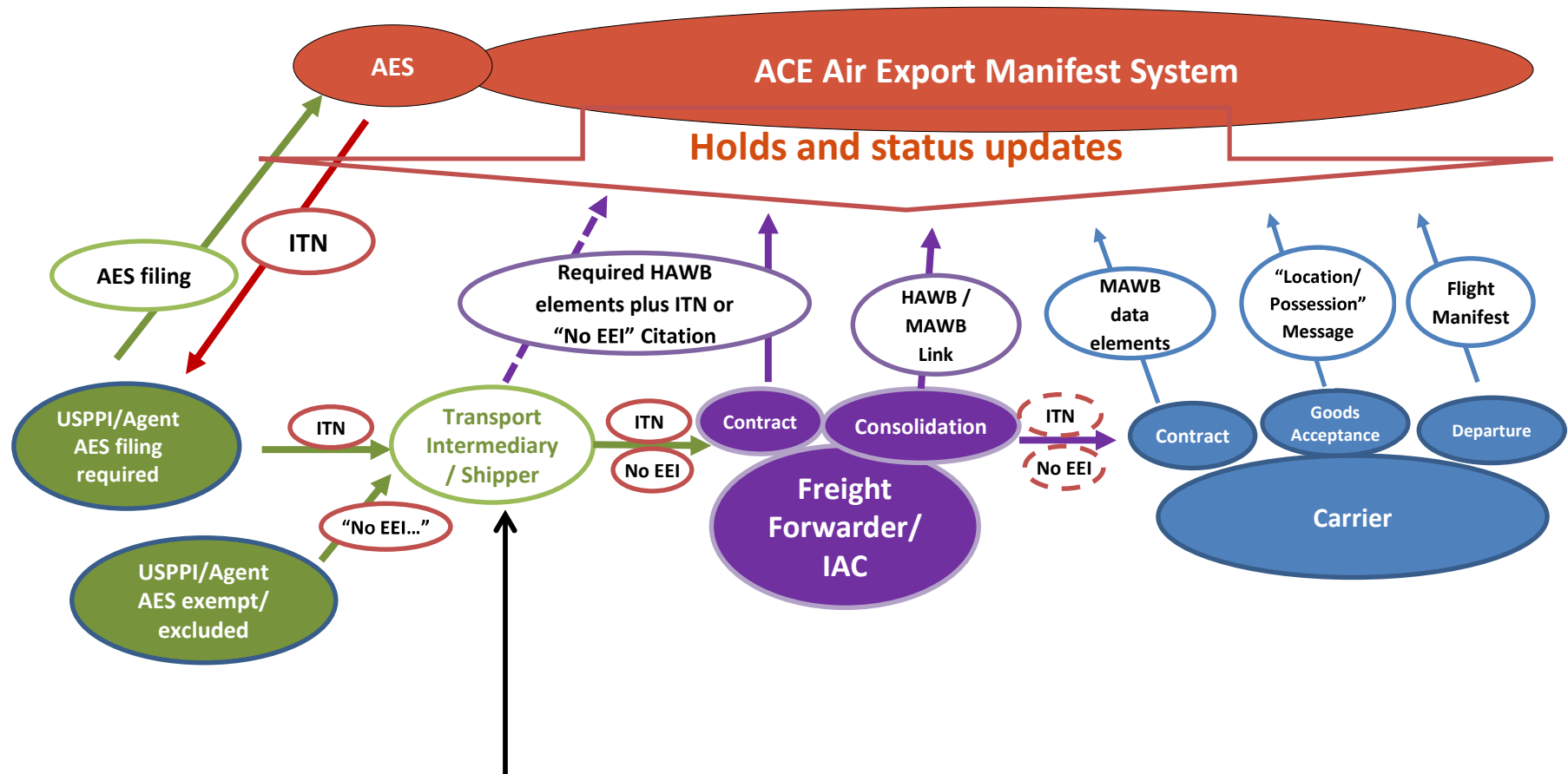
As each function is completed, each data transmission links to those sent earlier, forming the chain of the progressive filing.

At any point along the chain, if a previous transmission has not been received, an explanatory error message back to the transmitter will allow correction and full data transmission as soon as possible. This reduces the risk of non-transmission by providing numerous checkpoints along the way.



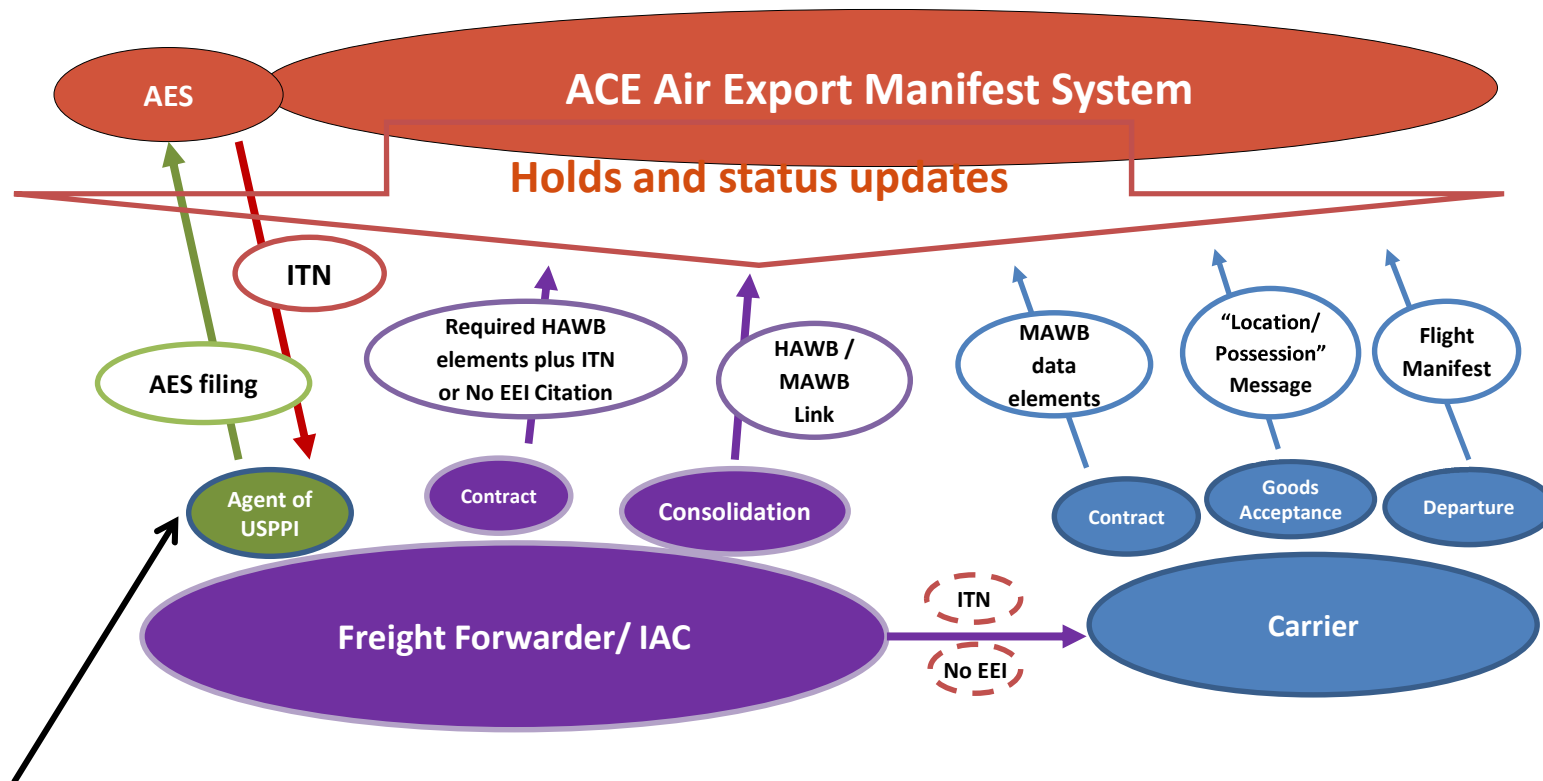
The electronic link of the ITN or "NO EEI" citation to the house bill data by the forwarder in earlier transmissions would eliminate the need to transfer this data from the forwarder to the carrier and for the carrier to perform the manual work necessary to include it on the flight manifest.

Example #2 – Progressive Filing / Consecutive Linking



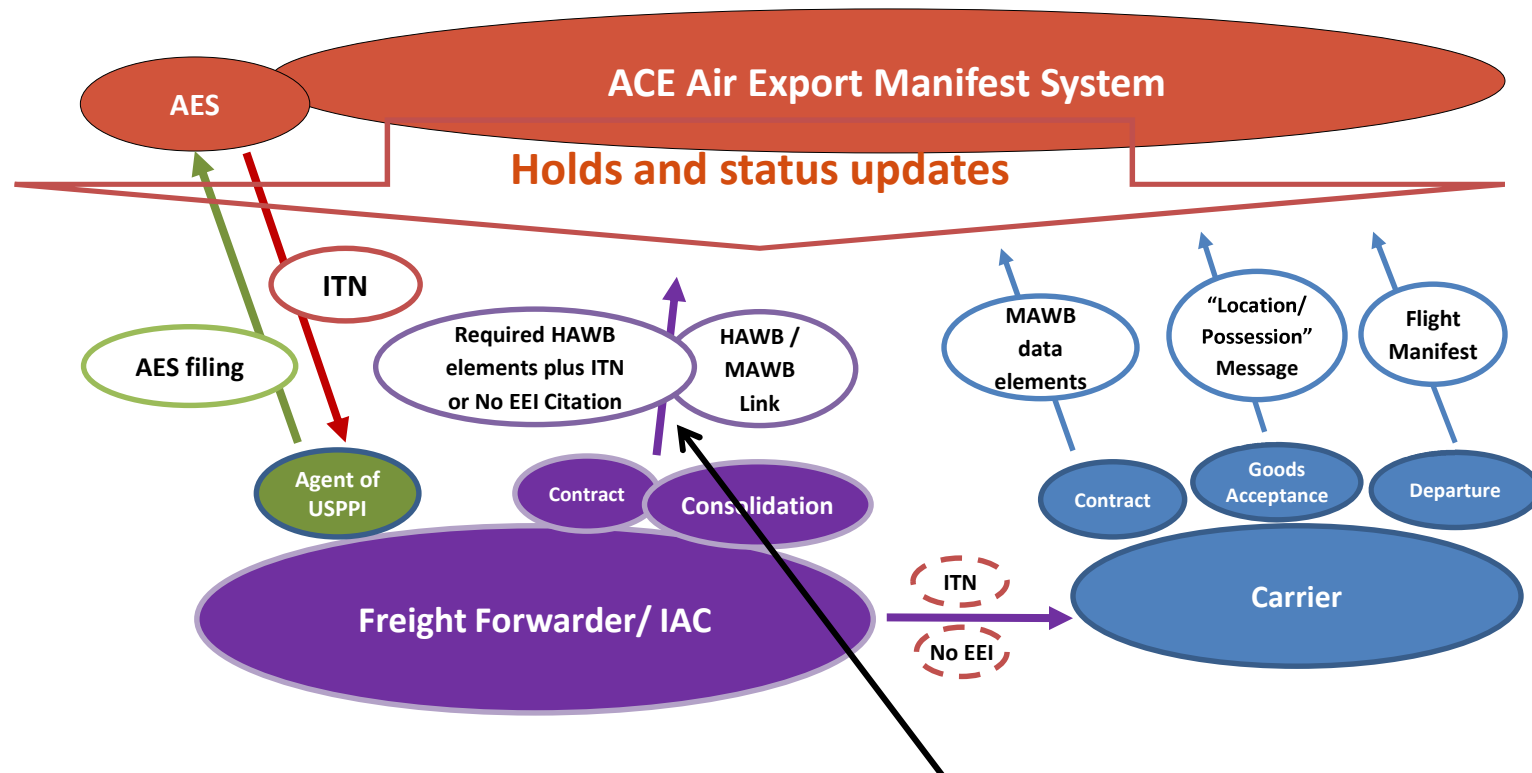
In this example, the Transport Intermediary may be the party submitting the HAWB data instead of the Freight Forwarder / IAC, depending upon the relationship between the intermediary and the forwarder.

Example #3 – Progressive Filing / Consecutive Linking



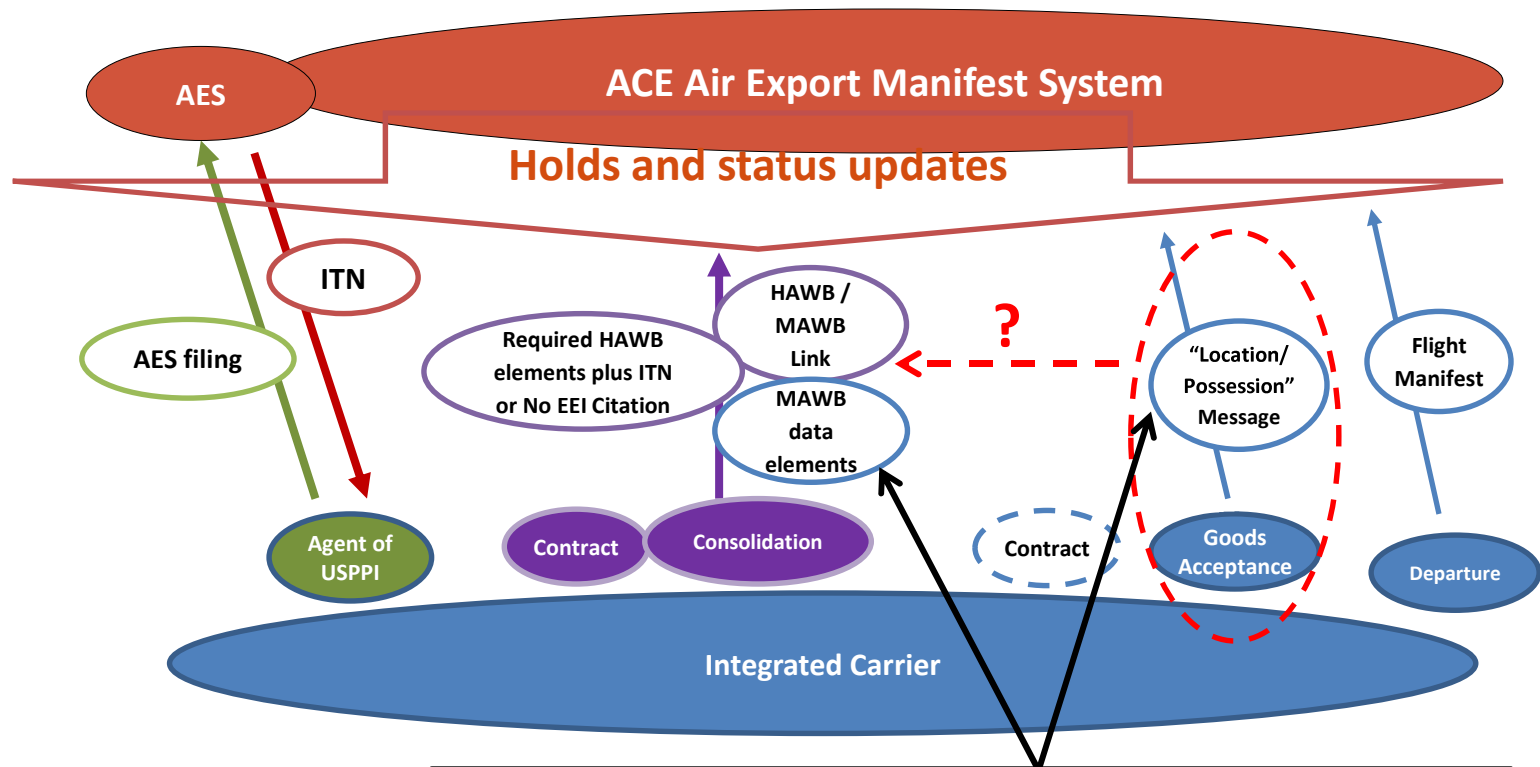
In this example, the Freight Forwarder / IAC is the agent of the USPPPI, and takes care of the AES filing milestone as well as the other standard FF/IAC functions.

Example #4 – Progressive Filing / Consecutive Linking



In this example, the individual Freight Forwarder / IAC's business practices might mean that it transmits the export manifest data related to both contract and consolidation simultaneously. This could be accomplished, similar to ACAS and Air AMS transmissions today, simply by attaching the MAWB number to the HAWB information that is transmitted.

Example #5 – Progressive Filing / Consecutive Linking



In this example, the integrated carrier – combining the roles of the USPPI's agent, the freight forwarder and the carrier – is completing every export milestone. In such a case, it may be possible to further consolidate messaging to the export manifest system to minimize the cost and complexity.

- For example, the MAWB as a "contract" no longer exists, so the transmission of MAWB data elements may move to the consolidation milestone.
- Additionally, because the physical acceptance of the cargo by the carrier takes place earlier in the chain, the "Location/Possession" message may be transmitted at an earlier milestone.

COAC Export Mapping Work Group

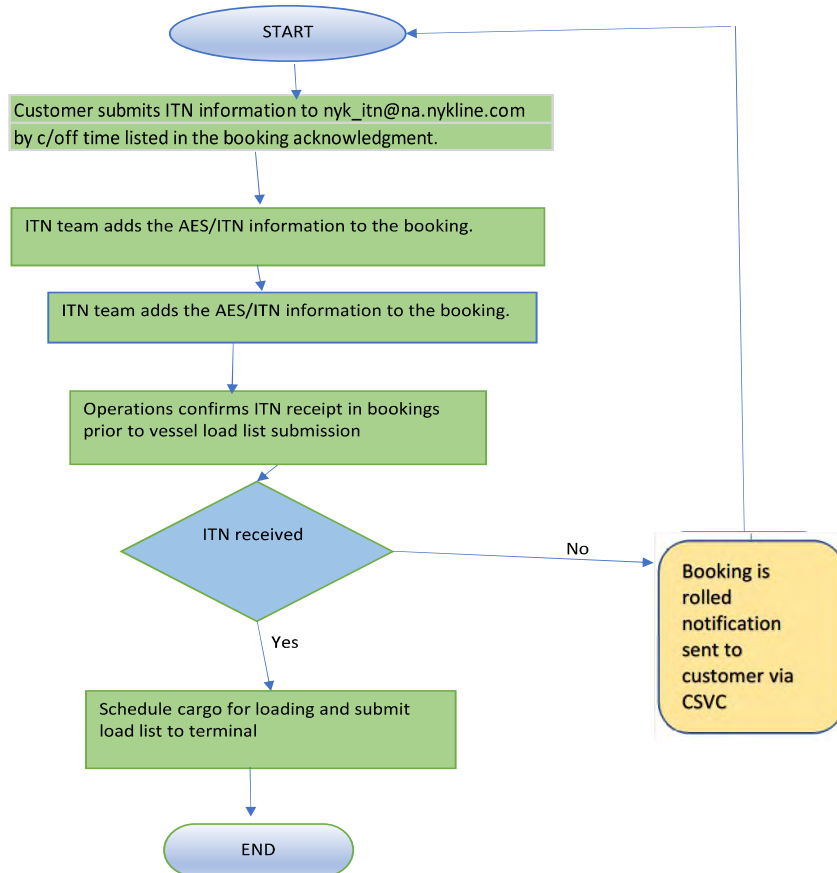
Manifest Education Package

Group: Manifest

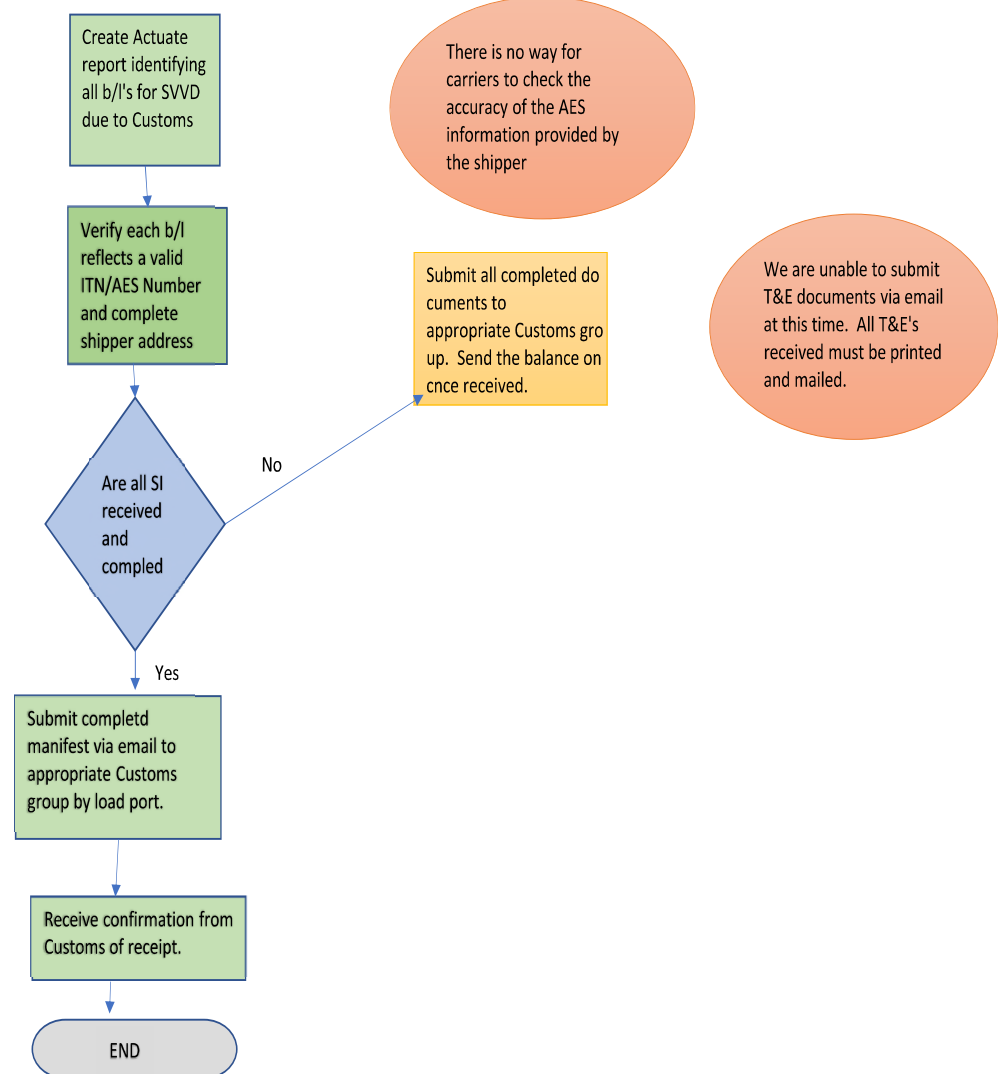
Category: Ocean

Carrier ITN/Manifest Process High Level

ITN Process- Pre-departure No ITN/ Exemption No Load



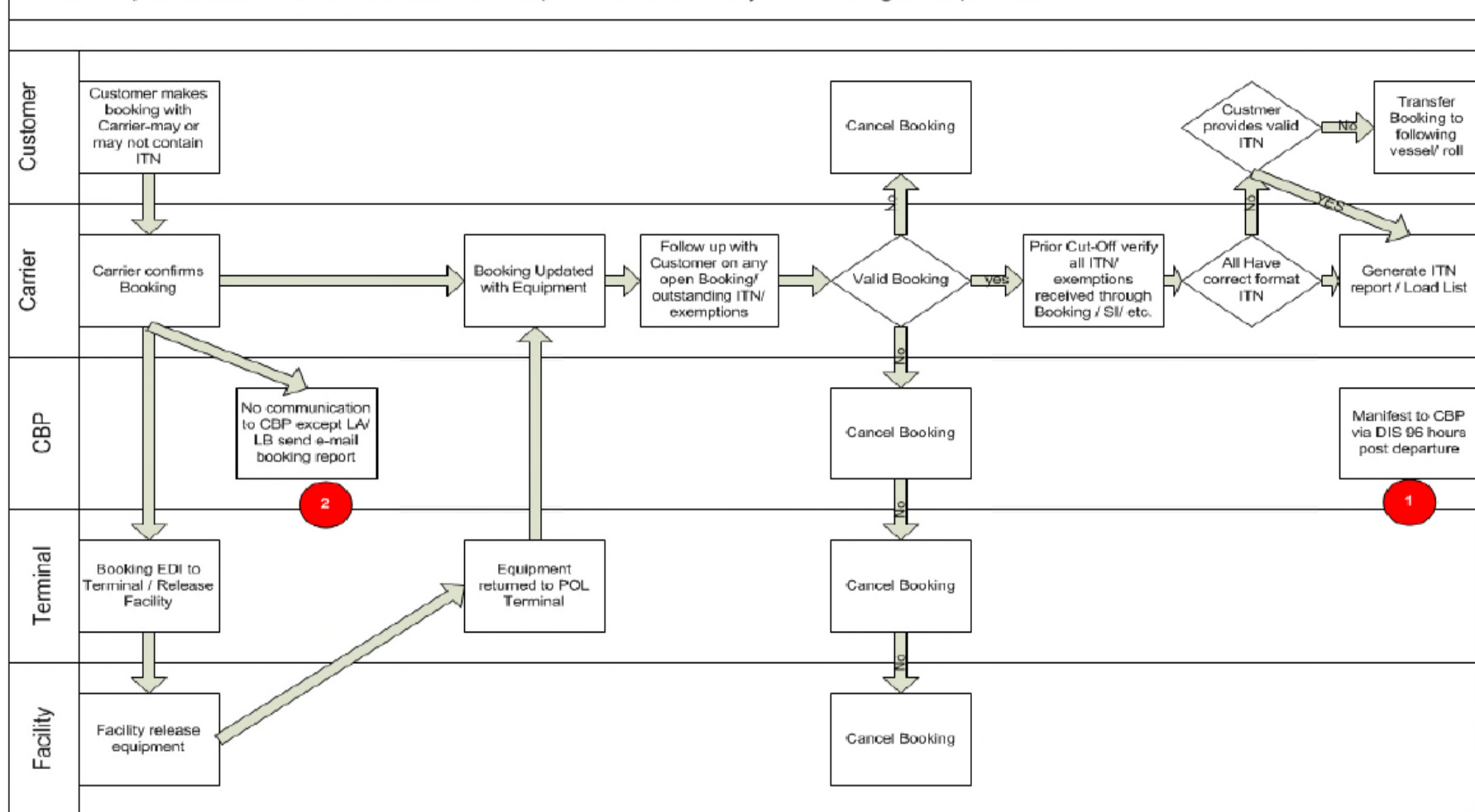
Manifest Process- post departure



Notes

- Four ocean carriers are enrolled in CBP's AES Vessel Transportation Module (or VTM), which enables VTM participants to file export manifests to CBP via EDI transmissions
- Most ocean carriers today file their export manifests electronically (via email) to CBP as part of the ACE Export DIS (Document Imaging System) pilot project

Ocean Export Manifest Process via ACE Export DIS Pilot Project – Straight shipment



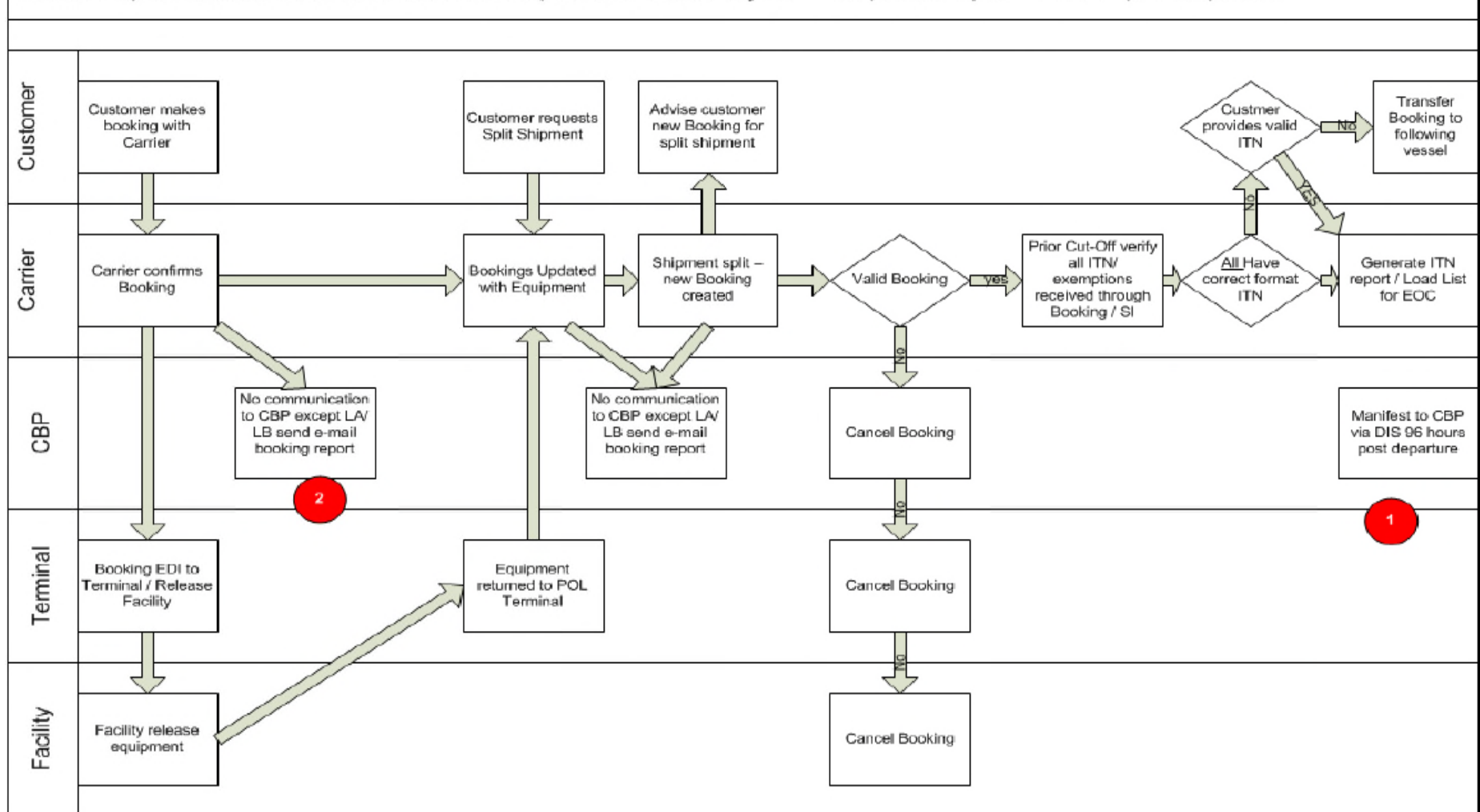
Areas of Opportunity:

1. DIS process currently does not support electronic transfer of in-bond documents .
2. Inconsistent add-hoc requirements port by port.

Example: LA/LB Outbound Enforcement Team is requesting that all parties submit “booking reports “ for ALL vessels on a daily/weekly basis at least 72 hours prior to the departure of the vessel. These reports are to include the following information:

Sail date, Vessel name, Booking number, Container number, Shipper/Exporter , Commodity , Discharge port/final destination , ITN or AES exemption. We are investigating similar request from Portland and New York

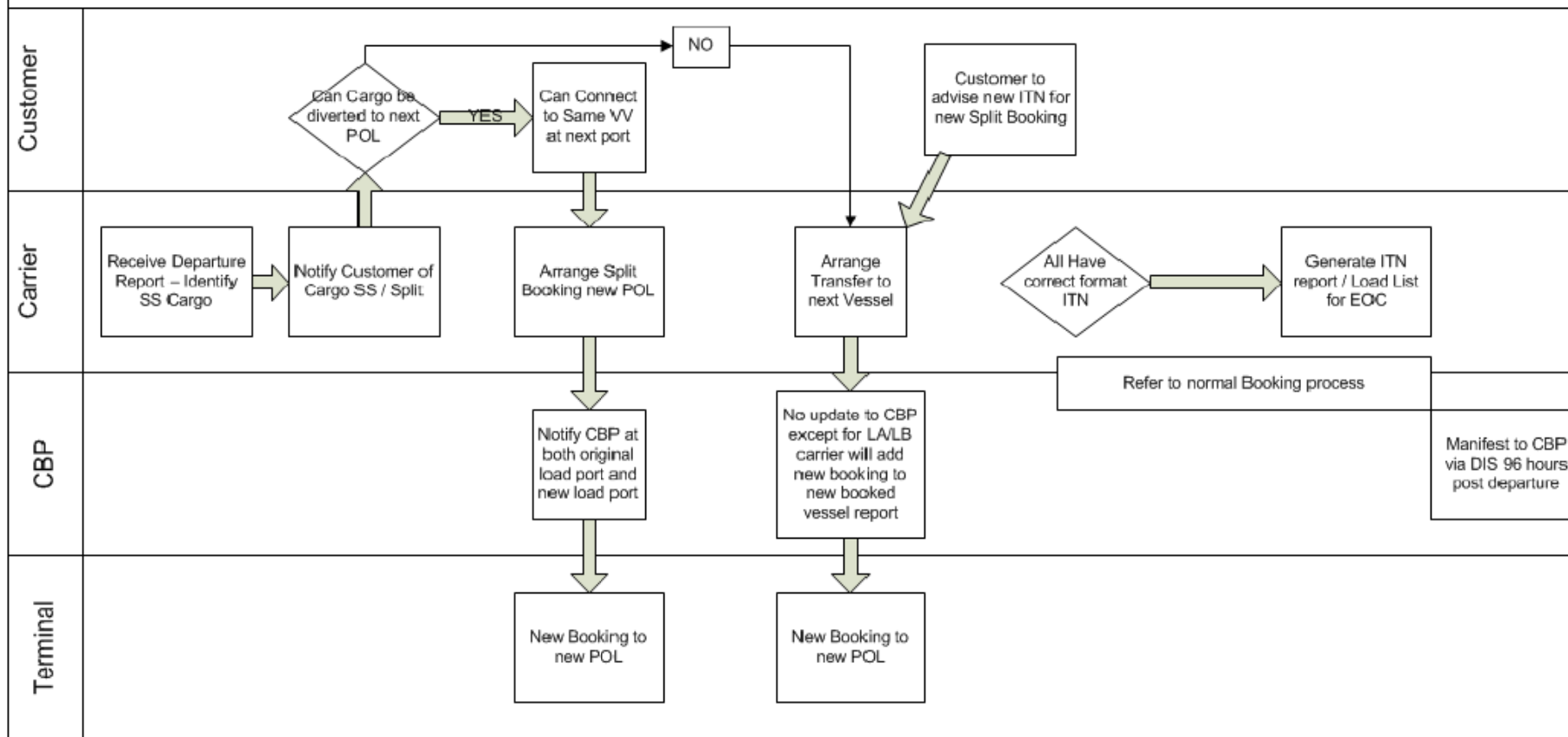
Ocean Export Manifest Process via ACE Export DIS Pilot Project – Shipment Split – Part 1- pre shipment



Areas of Opportunity:

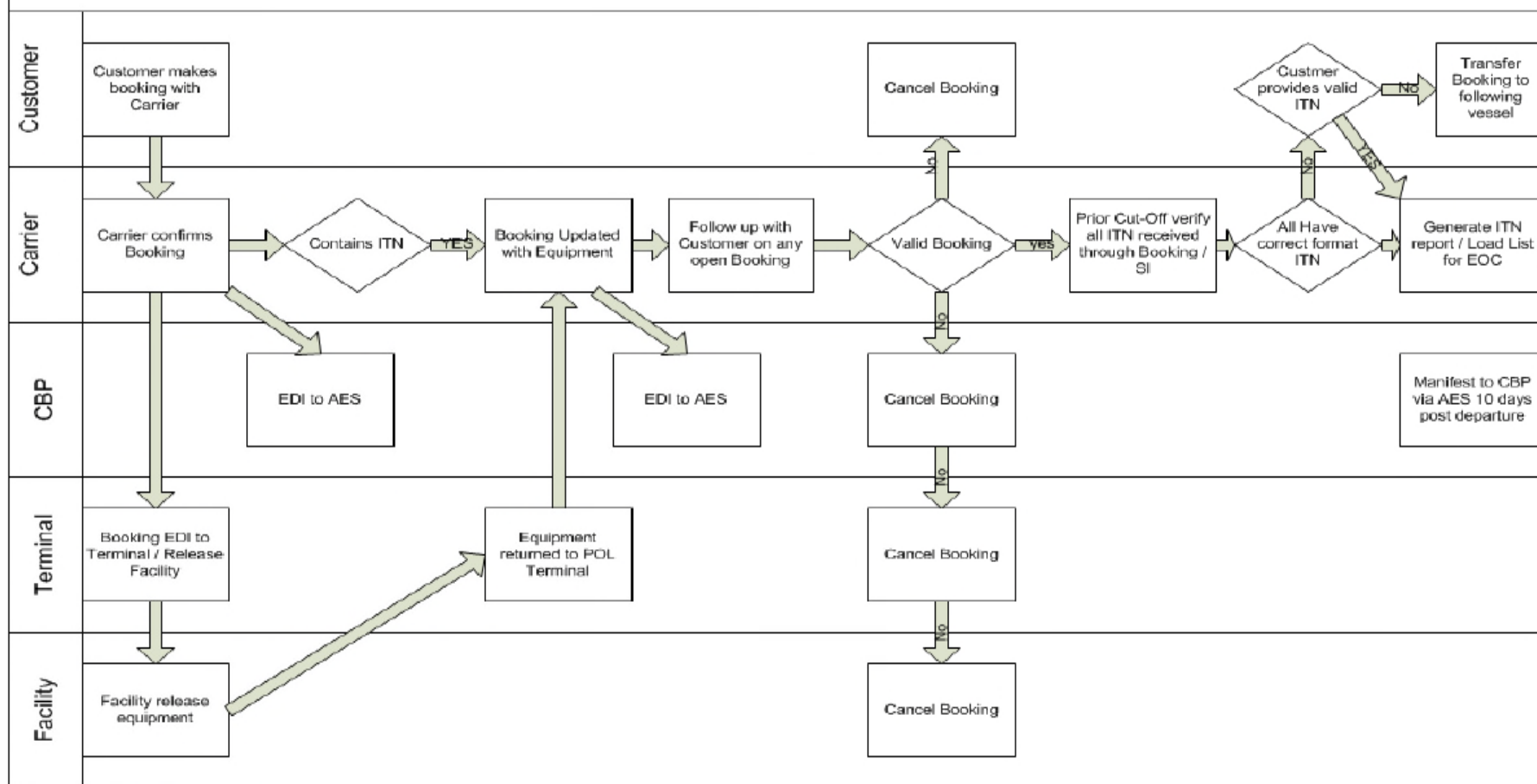
1. DIS process currently does not support bond documents (e.g. IE, T&E, etc.)
2. Inconsistent add-hoc requirements port by port. e.g. LA/LB Outbound Enforcement Team is requesting that all parties submit "booking reports" for ALL vessels on a daily/weekly basis at least 72 hours prior to the departure of the vessel. These reports are to include the following information:
Sail date, Vessel name, Booking number, Container number, Shipper/Exporter, Commodity, Discharge port/final destination, ITN or AES exemption.

Ocean Export Manifest Process via ACE Export DIS Pilot Project – Shipment Split (SS) – Post Shipment



Areas of Opportunity:
none

Ocean Export Manifest Process via AES VTM Module – Straight shipment

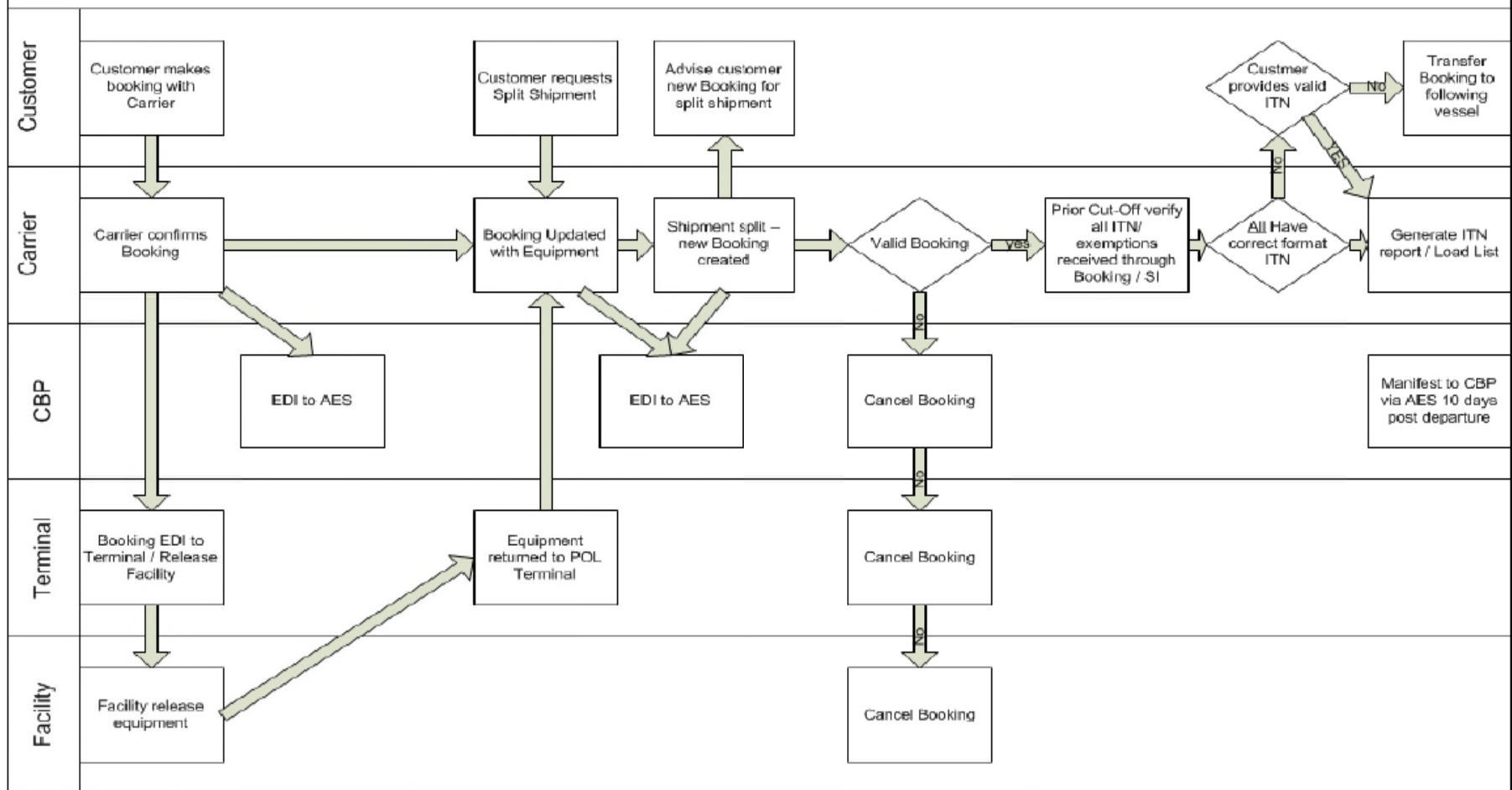


Potential Areas of Opportunity:

Transactional versus periodic scheduled updates:

Every update to a shipment is sent to AES and may cause an opportunity for an exception and a required response. It may be more efficient to designate specific timeframes to require reporting in AES for example one time frame pre-departure and one post-departure.

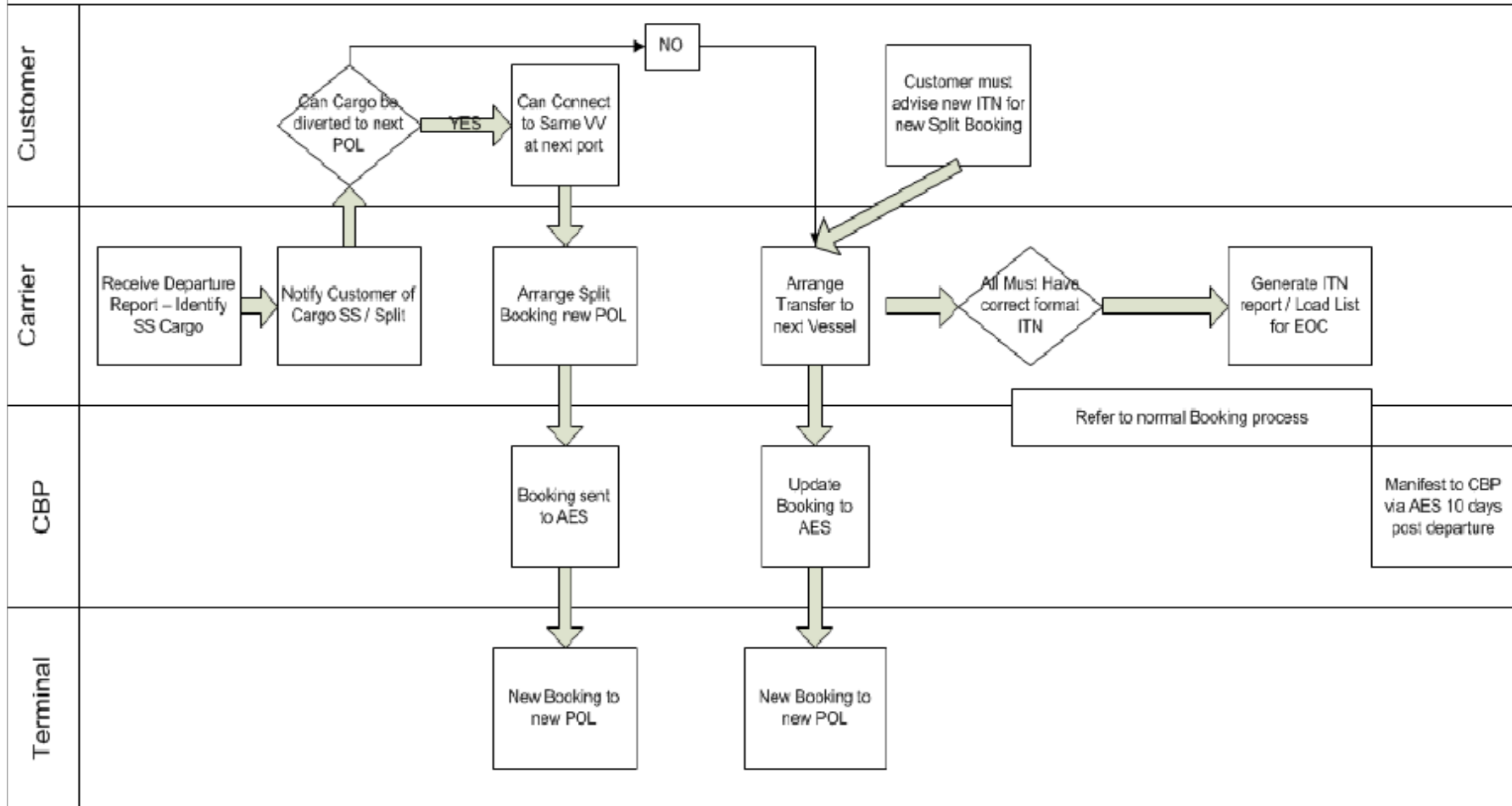
Ocean Export Manifest Process via AES VTM Module – Shipment Split – Part 1- pre shipment



Areas of Opportunity:

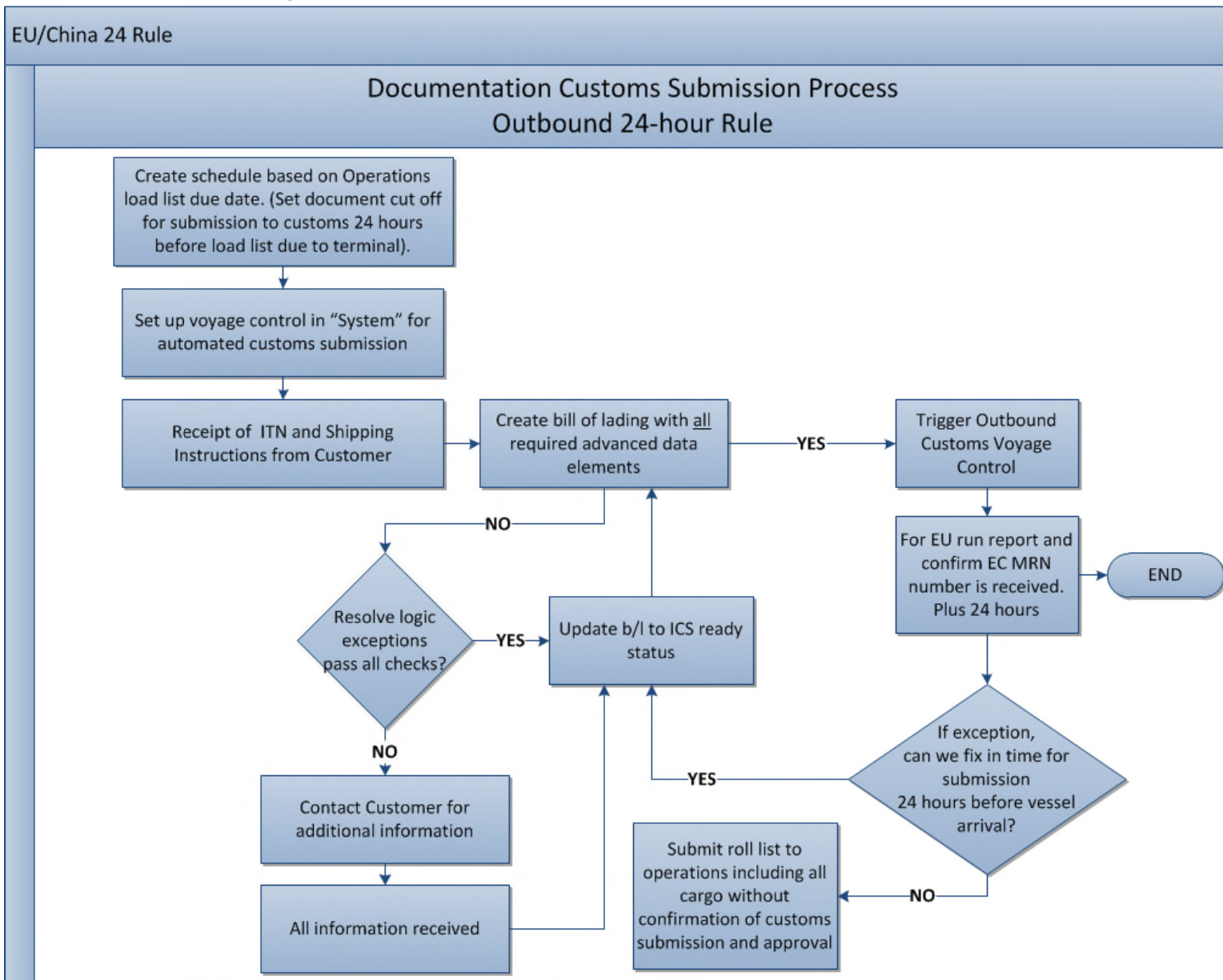
none

Ocean Export Manifest Process via AES VTM Module – Shipment Split (SS) – Post Shipment



Areas of Opportunity:
none

EU/China 24 Hour Rule



Ocean Manifest Solutions

- 1.) CBP should standardize its approach in developing manual pilots of strategies and concepts and communicate in advance through industry partnerships and trade associations
- 2.) ACE export manifest function for Ocean should include in-bond document submission and summary functionality.

Advanced Data Considerations

- “The the timing of export hold and release is significantly more acute, due to the need to ensure cargo / container availability for vessel operations at the port of loading. Timing of the hold and release, must be tightly linked to the operational capability of the operator, to ensure that sufficient time allowed to allow and hold to be released and facilitate export movement.” (TOPAS Export Manifest White Paper)
- If Carriers must physically control export clearance, such physical control must occur prior to delivery to the ocean terminal. Marine terminals are not set up to hold large quantities of containers pending release approvals.
- Consolidated/ NVOCC cargo has proven to be the biggest factor in delay of ITN information to the ocean carrier today with a 10-day post departure filing regime. If CBP intends to employ an advanced data regime at the house bill level, all industry stakeholders will have to revisit their processes.
- Preliminary analysis of the advanced booking data requirements pilot established at the LA/ LB indicate a marked increase in containers on hold, each hold significantly increasing cost to the trade. The promise of expedited clearance of shipment as result of earlier screening seems not to have been realized to date.
- If CBP decides to require advance (i.e. prior to departure) electronic export manifests, the deadline for the ocean export manifest must be 24 hours prior to vessel lading to mirror US import manifest regulations . This is already the filing deadline for US export shipments to EU countries and a number of other US trading partners.
- Furthermore, assuming CBP sets the ocean manifest deadline as 24 hours prior to vessel lading, Census (working with CBP) will need establish that as the same deadline for the USPPIs to file their electronic export information (i.e. electronic SEDs).

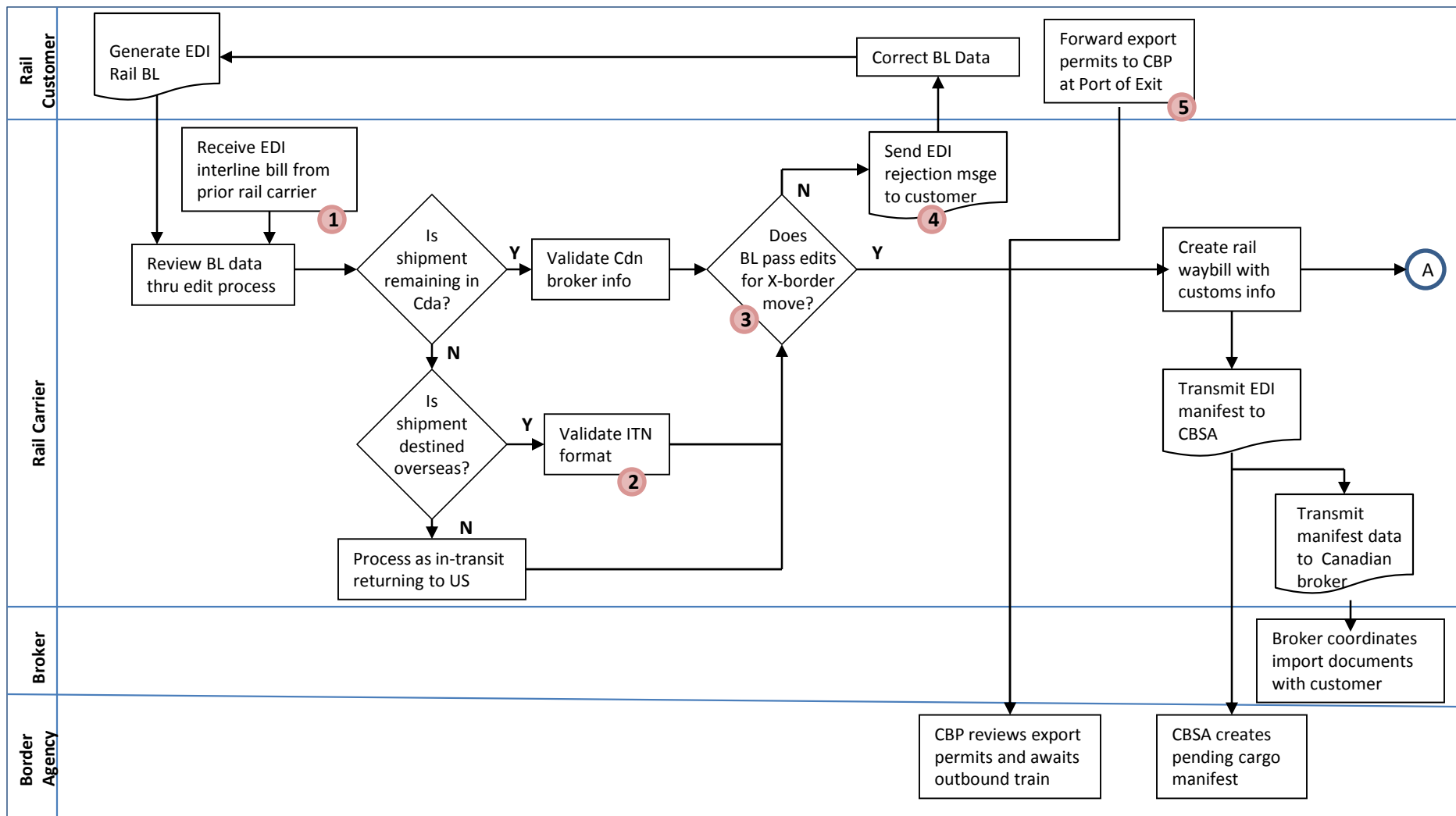
COAC Export Mapping Work Group

Manifest Education Package

Group: Manifest

Category: Rail

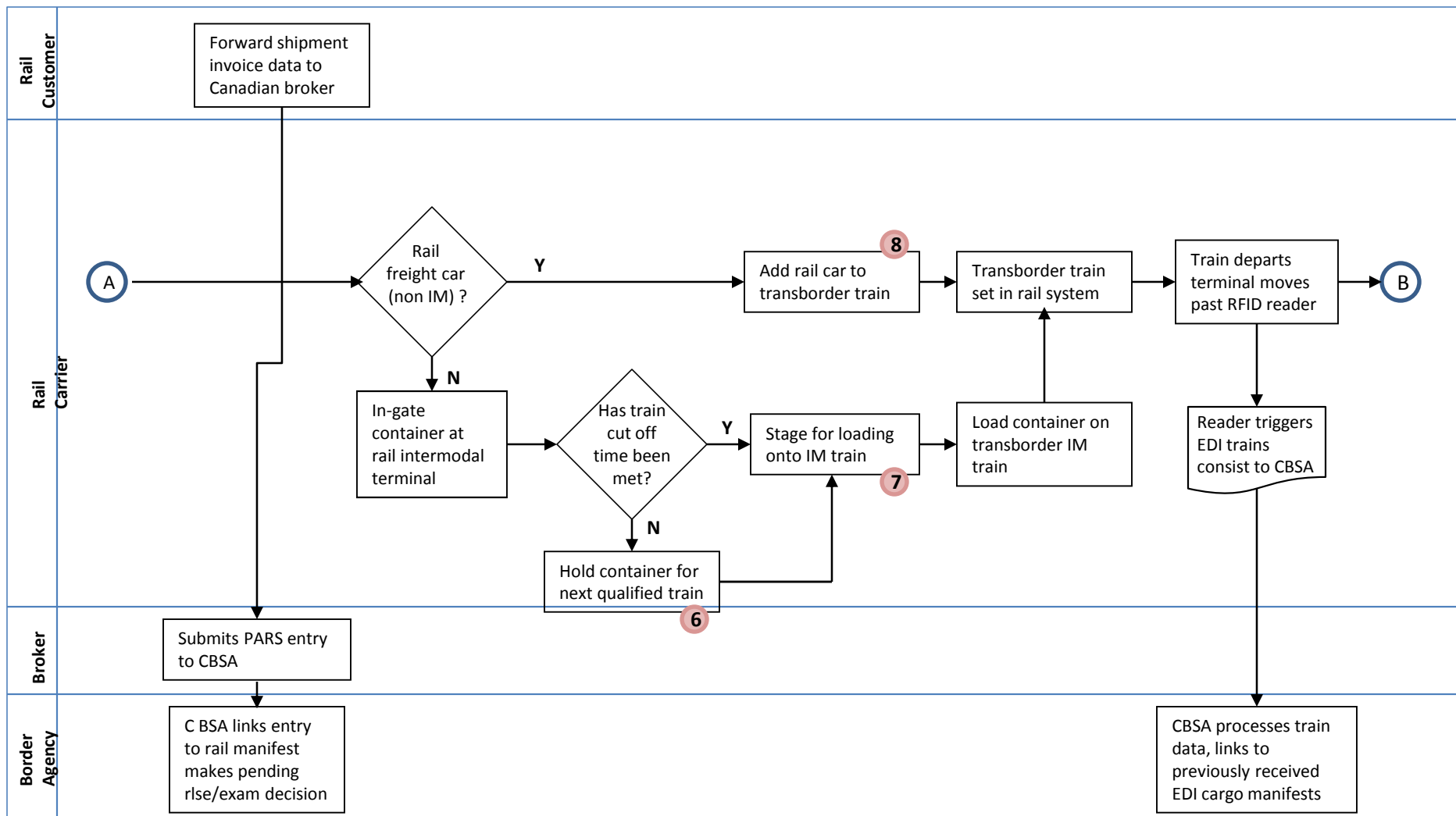
Northern Border Rail Process – Slide 1



Areas of Opportunity:

1. Bond issues related to rail interline and multi-modal trans border movement.
2. ITN validation.
3. Data validation and commodity alignment with AES filing.
4. Impact of bad data on business process.
5. Lack of visibility on paper export transactions.

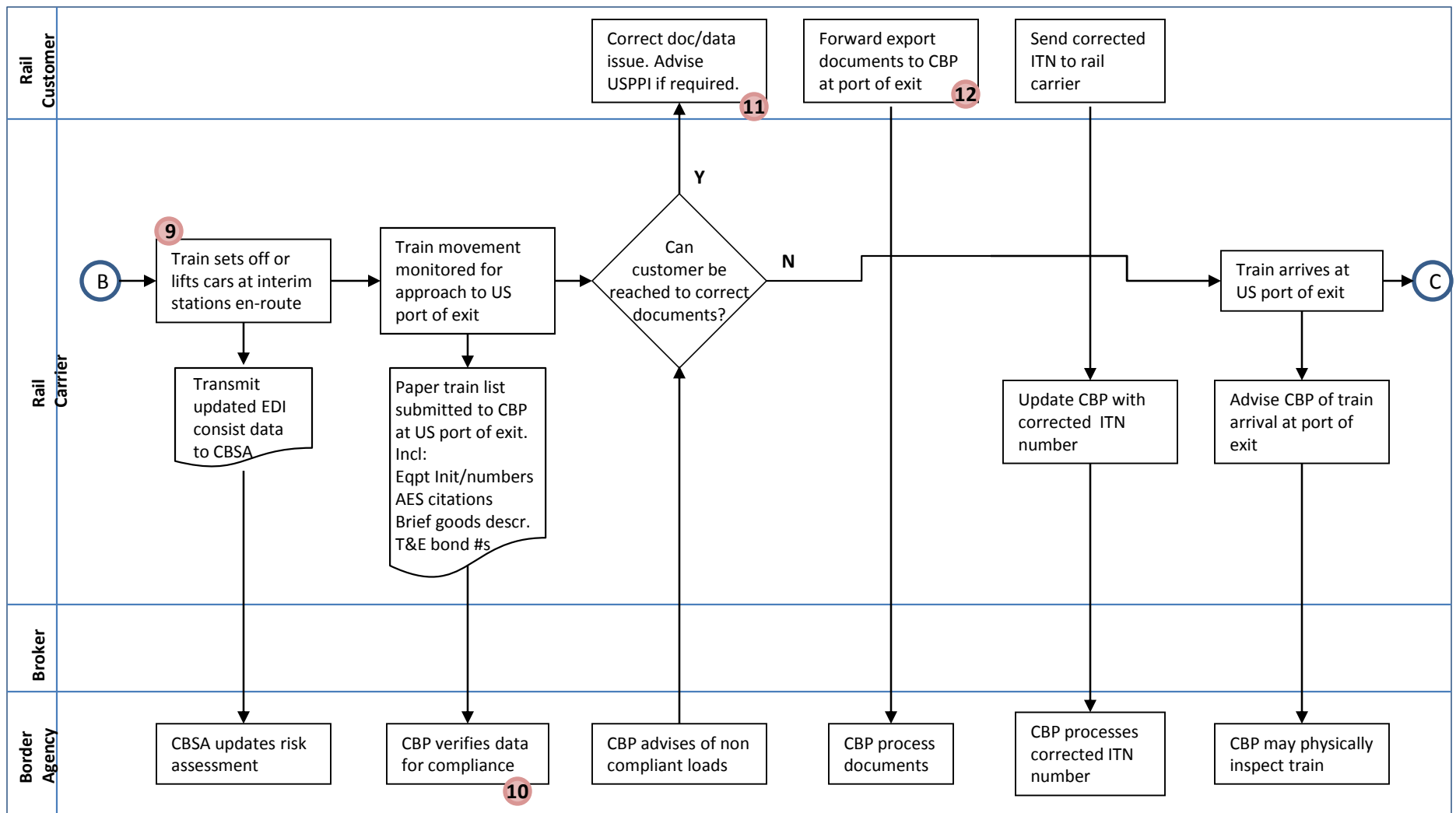
Northern Border Rail Process – Slide 2



Areas of Opportunity:

6. Rail carrier may be unaware of split shipment due to 3rd party nature of intermodal business.
7. Weight and balance and “blocking” issues due to missed reservation impact operation plan.
8. “Blocks” of cars can be picked up from customer sidings or rail interchange tracks en-route to border. Risk that rail car not intended for transborder movement may be imbedded in block. Logistics may dictate having to haul rail car across the border and back.

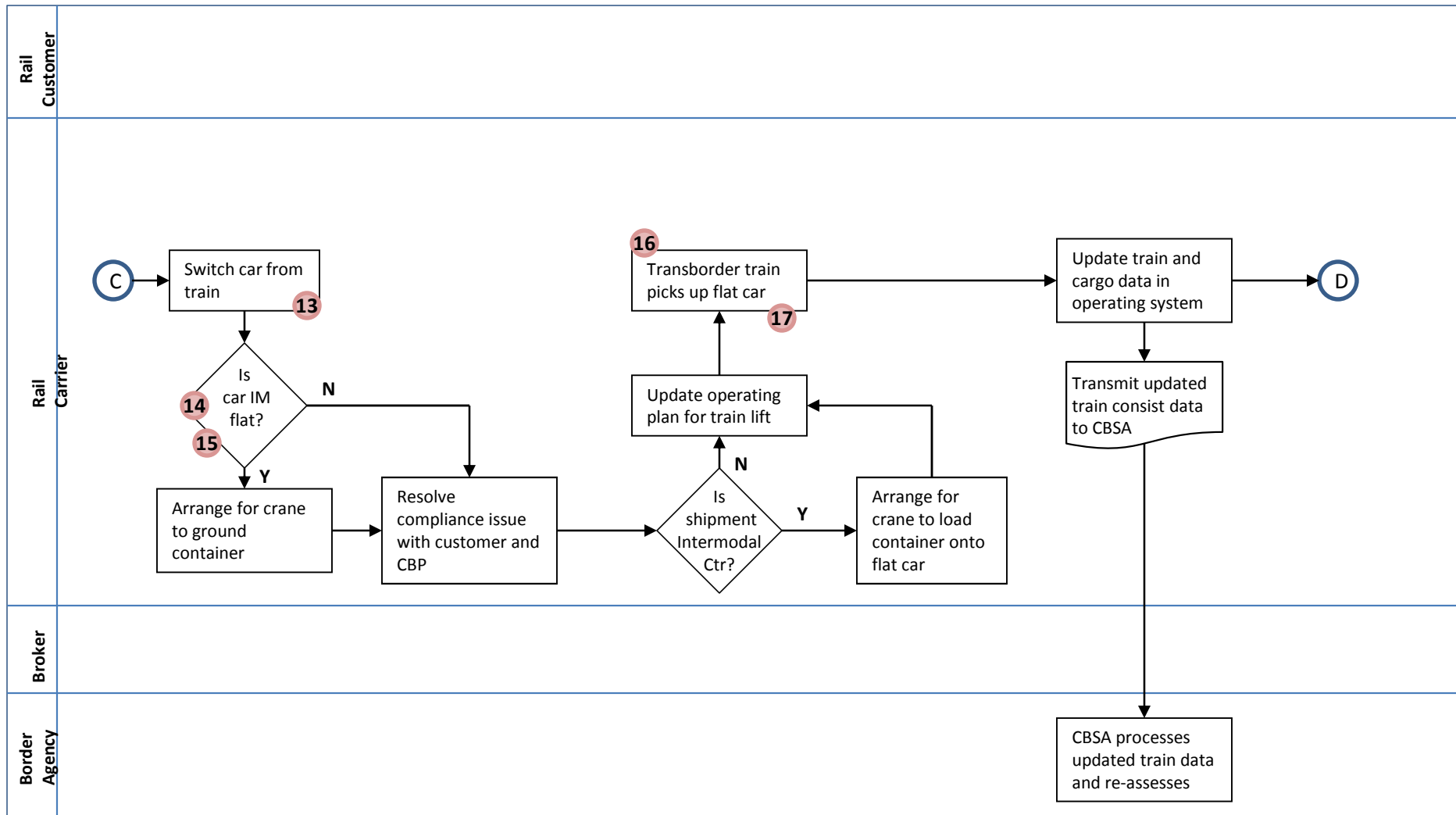
Northern Border Rail Process – Slide 3



Areas of Opportunity:

9. Train consist may need to change en-route to border to maintain train length or for operational reasons.
10. Exporting rail carrier held accountable for exporter non-compliance. Bond issues created at port of arrival can be forced to be resolved at port of exit.
11. When USPPI is not direct rail customer it can take several days to resolve ITN or other export requirement.
12. Difficult to determine if export documents/permits for exiting shipments is at port of exit prior to train arrival.

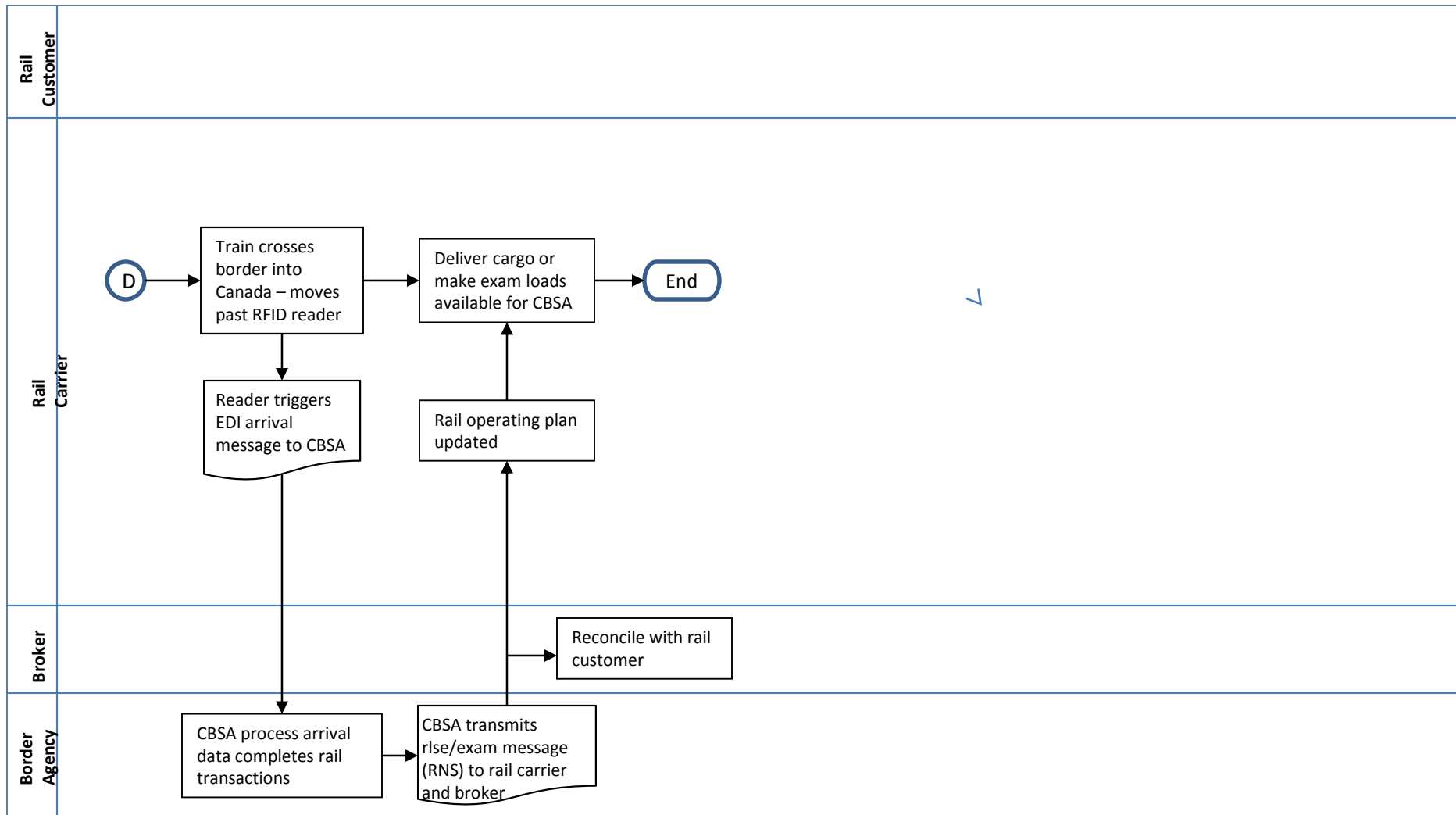
Northern Border Rail Process – Slide 4



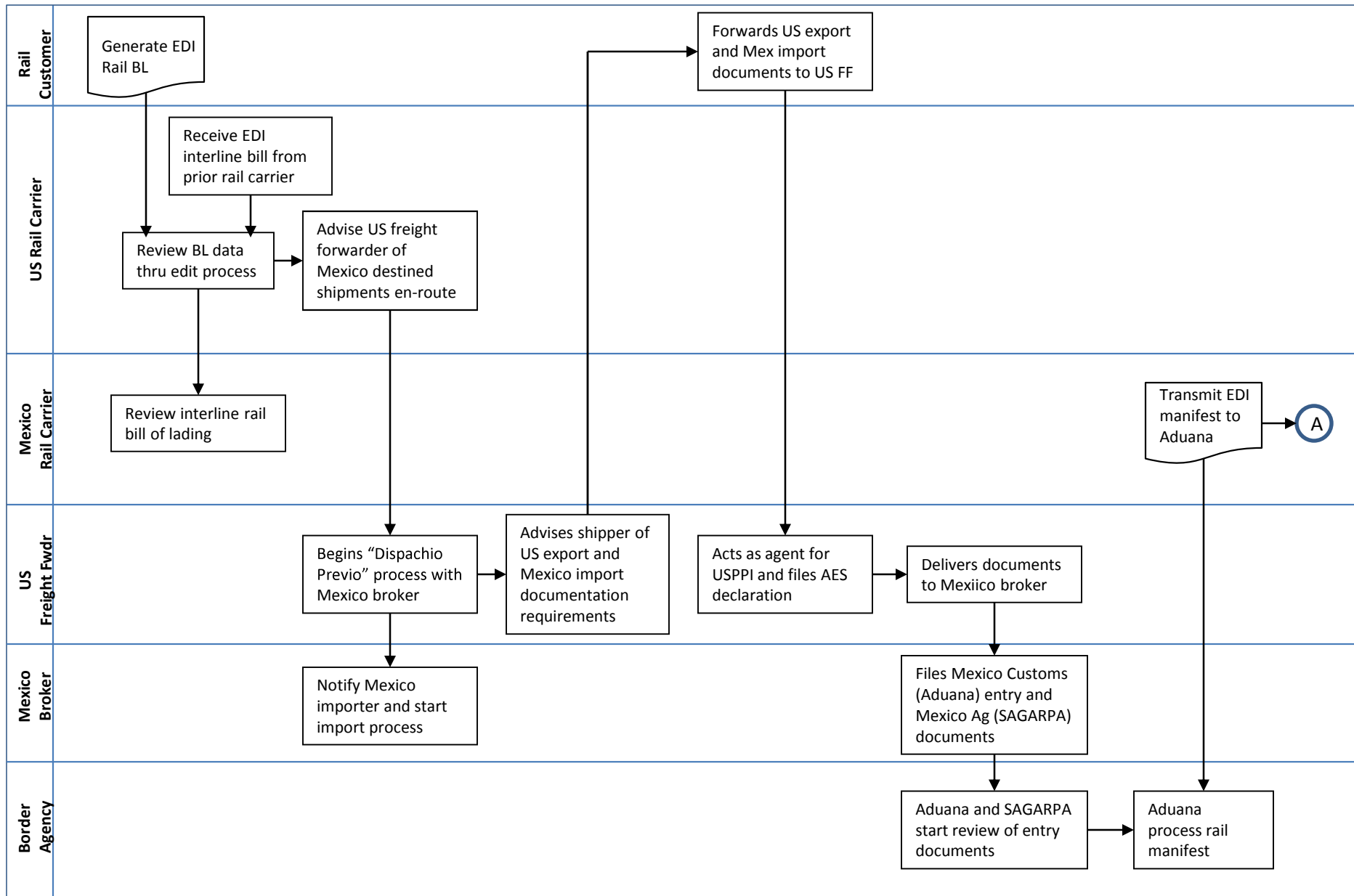
Areas of Opportunity:

- 13. Switching cars from outbound trains can be very problematic given limited infrastructure at some rail ports of exit.
- 14. Single Intermodal flat car can carry up to 15 containers. If flat car delayed more than 24 hours targeted container is grounded.
- 15. “Hostage” containers dwell at the border while issue with errant container is addressed.
- 16. For every train affected by an export issue a subsequent train is also affected.
- 17. In severe winter conditions cars may dwell at the border for several days.

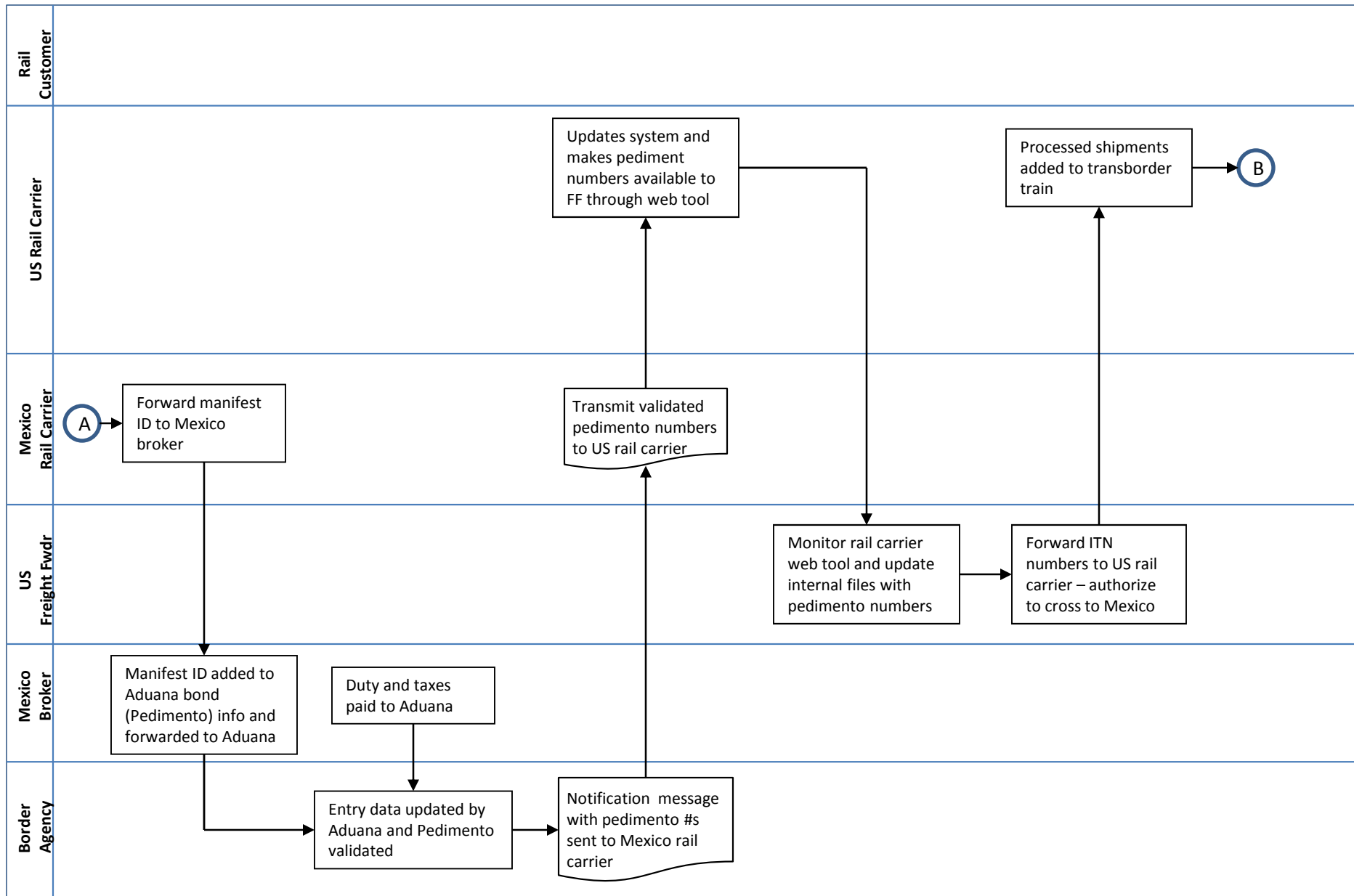
Northern Border Rail Process – Slide 5



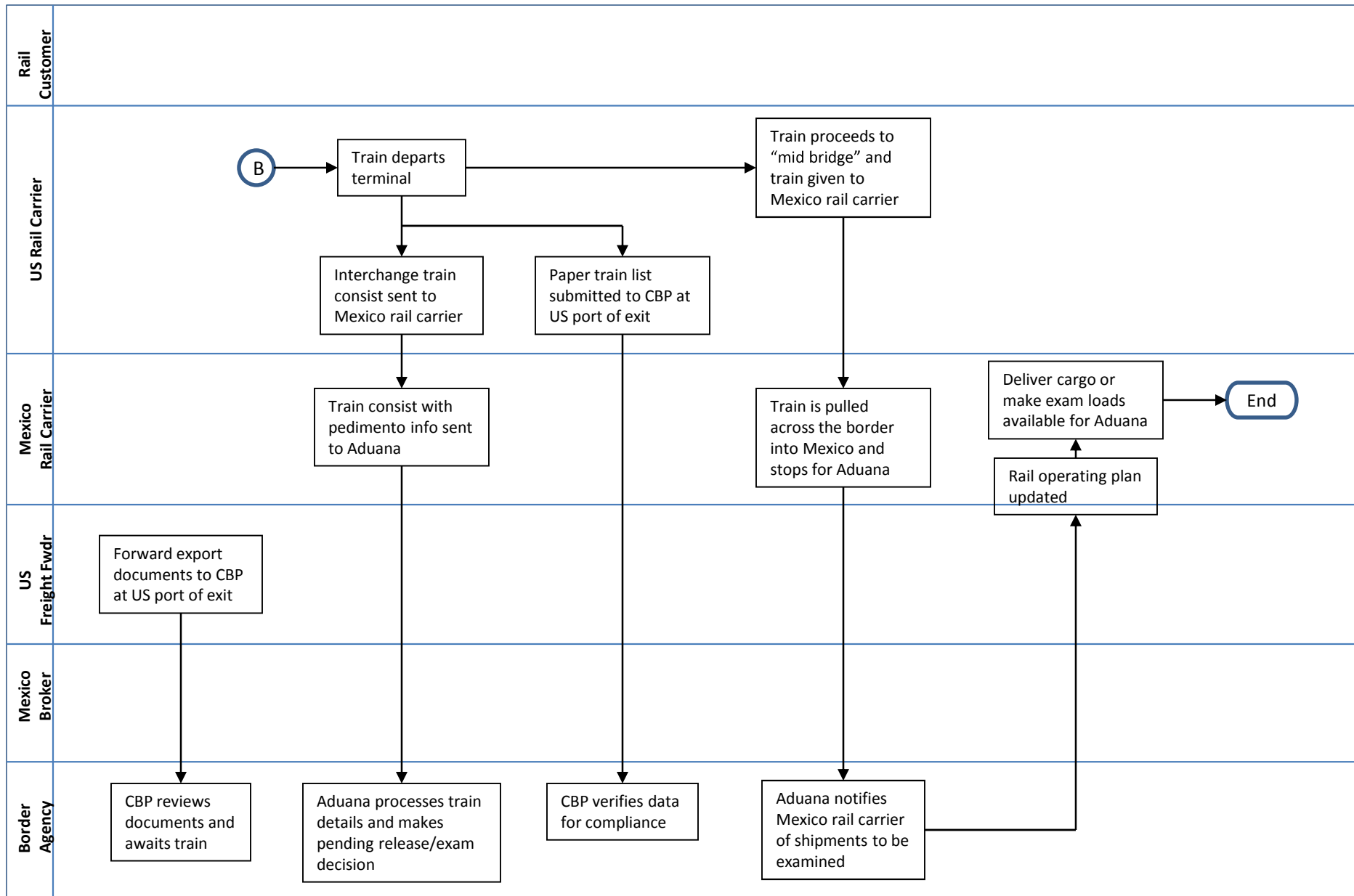
Southern Border Rail Process – Slide 1



Southern Border Rail Process – Slide 2



Southern Border Rail Process – Slide 3



COAC Export Mapping Work Group

Manifest Education Package

Group: Manifest

Category: Truck

Export Manifest for Motor Carriers

- **Issue**

U.S. Customs and Border Protection (CBP) wants to create an export e-manifest for use by motor carriers moving goods from the U.S. into Canada and Mexico, apparently similar to the Automated Commercial Environment (ACE) e-Manifest for truck.

- **Background**

The motor carrier industry supports the use of e-Manifest for trucks inbound to the U.S. at the Canadian and Mexican borders (19 CFR 123) as a way to screen cargo for security (Trade Act of 2002) and compliance and for reducing processing time through the Free and Secure Trade (FAST) and Customs-Trade Partnership Against Terrorism (C-TPAT) programs, along with offering online status tracking of trips to expedite legitimate trade while keeping Americas borders secure. There is no regulation supporting or requiring motor carriers to file or transmit an export e-manifest when crossing into Canada or Mexico. Only an electronic inbound manifest is required by the Trade Act of 2002.

- **Discussion**

The motor carrier industry continues to support the U.S. and Canada electronic data exchange, adhering to the AES EEL Canadian Exemption (15 CFR 30.36). In addition, we support the currently-used cross reference of MX pedimento information with the U.S.

C-TPAT mutual recognition arrangements with Canada and Mexico, which are currently being worked out, will readily supply the needed information for targeting – i.e., information to make proper security decisions.

The motor carrier industry believes that CBP already has processes and systems in place for security, compliance and trade facilitation, making an export e-manifest for motor carriers duplicative.

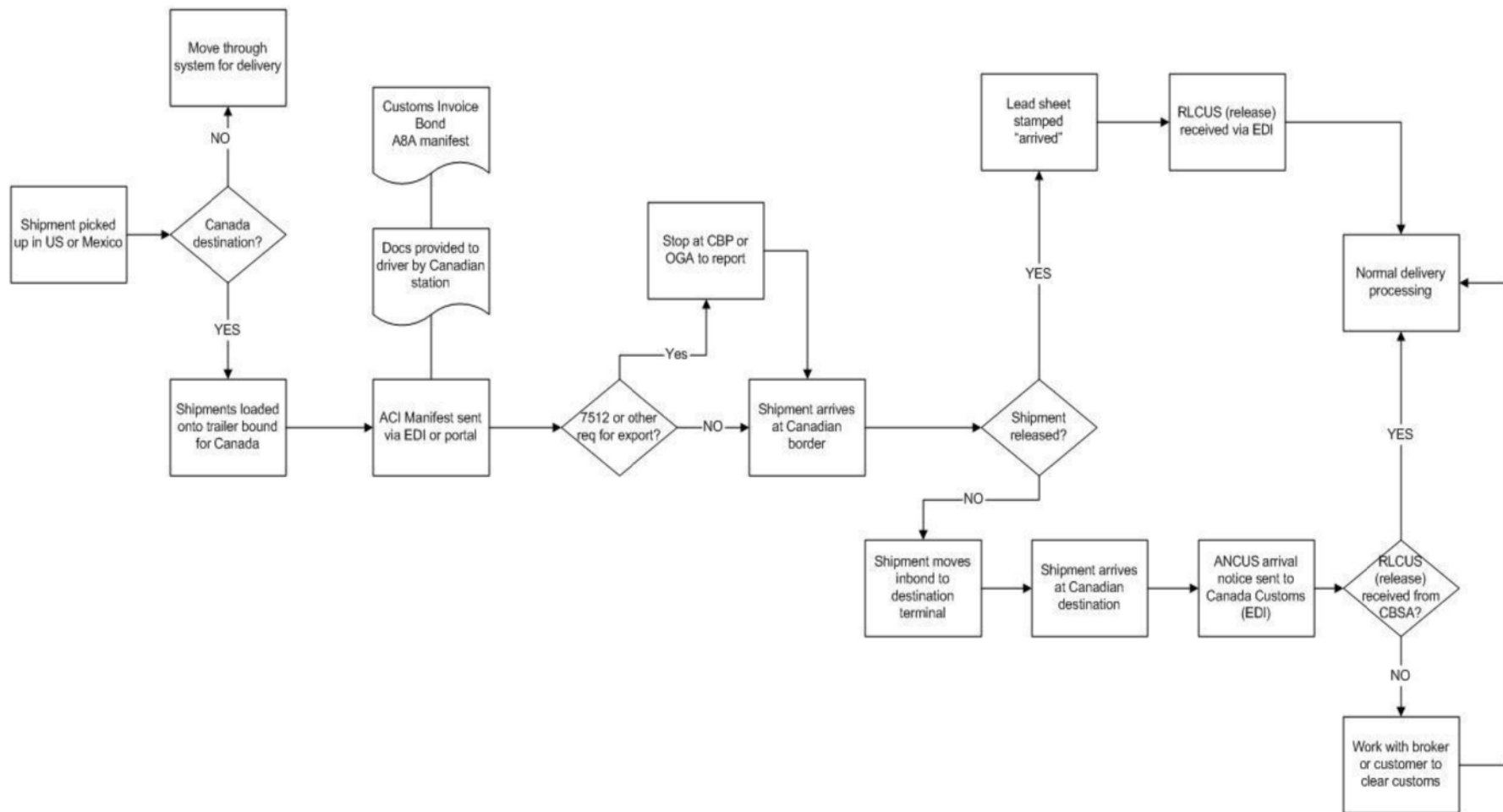
- **Conclusion**

The Beyond the Borders Action Group and the Regulatory Cooperation Council seek harmonization and elimination of duplicative regulatory requirements among the U.S., Canada, and Mexico. Requiring yet another regulation, new processes, and requirements will not meet these objectives.

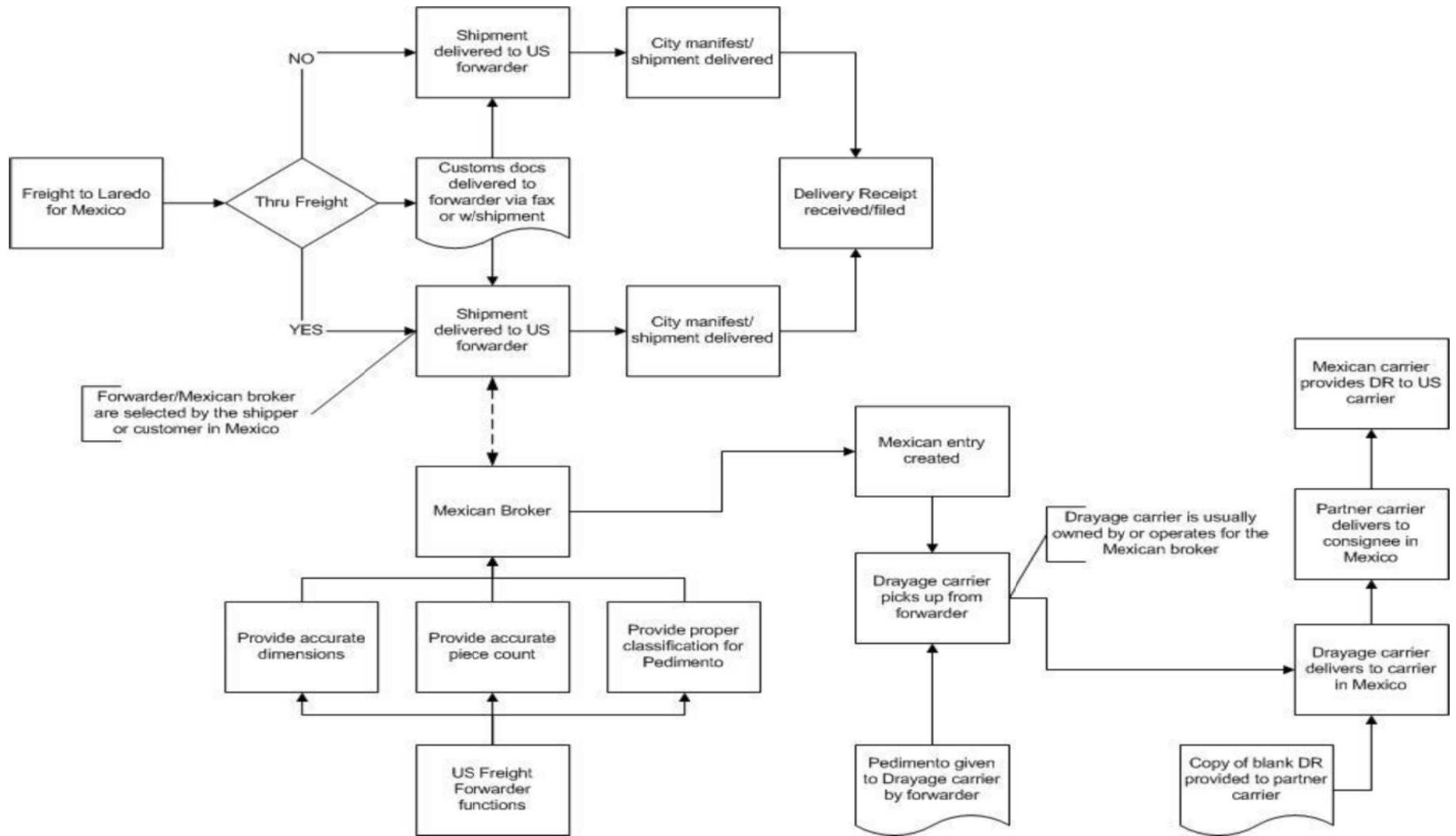
A cost benefit analysis would provide details on the actual financial impact to the industry. Doing an export e-manifest would likely double the costs of cross-border business, calling for changes in systems and process and causing time delays at the border.

Northbound Truck Flow

Northbound Shipments



Southbound Truck Flow



Truck – Areas of Opportunity:

- Trucking delay / Rail delay / Re-routing – how do you correct?
- Consolidation issues
- Product losses (radios/computers etc.) or growth (grain sprouting leaves)
- Humping/dropped/damaged etc. – requires EEL corrections – corrections with violation
- Getting transferred / offloaded due to space
- Transloaded at ports – timing receiving of cargo vs. documentation

Truck Export Solutions

- Per the Beyond the Borders Action Group and Regulatory Cooperation Council mandates to seek harmonization and eliminate duplicative regulatory requirements among the U.S./Canada and U.S./Mexico borders, utilize existing trusted trader programs and data exchanges/cross-references to accomplish the government's export manifest goals.
- Risk and cost/benefit analyses should be carried out and taken into account prior to the development and implementation of any new export e-manifest requirements, focusing on the financial impact to all trade stakeholders and potential delays / negative impacts to cross-border trade flows.

Post-Departure Filing Proof of Concept Implementation Plan

April 2017

Background

- CBP identified several risks associated with AES Post-Departure Filing.
- Elimination of Post-Departure Filing would impose significant costs for high-volume exporters that rely upon it.
- Manufacturers presented a proposal in the November 2016 COAC meeting to address CBP's risk concerns, yet preserve the option of Post-Departure Filing for eligible shipments.
- This presentation will propose the steps of a Proof of Concept:
 - Phase I – Potential Proof of Concept Trade Participants, Exporter Registration Process and Vetting Process for Post-Departure Filing Participants.
 - Phase II – Advanced e-Manifest for Post-Departure Filing Participants
 - Phase III – Periodic USG Review Process



Post Departure Filing Proof of Concept Implementation

- The Post-Departure Proof of Concept Implementation Plan seeks to accomplish four goals:
 - Determine if the proposed elements identified for submission to CBP for the past 12-month period are the right data elements to address CBP-identified export risks
 - Determine if there are any Industry specific requirements for the Exporter's export management and compliance program review.
 - Determine how the proposed Post-Departure filing process impacts Advanced e-Manifest in the Ocean Environment
 - Brainstorm what the Periodic USG Reviews would look like



Post-Departure Filing Implementation

Phase 1 of Proof of Concept – Vetting Process

Step #1

Determine Proof of Concept Participants

- ☐ A current Option 4 filer in good standing; and
- ☐ An Active Exporter
- ☐ Different Commodities

Step #2

Define data elements for exporter profile

- ☐ Exporter provides data based on exports from the past 12 month period (7 data elements proposed)
- ☐ Validate Export Profile addresses CBP identified export risks

Step #3

Export management and compliance program process

- ☐ Define key elements required: 10 elements proposed by Trade
- ☐ Validate requirements for specific Commodities

Proposed Timing:

- 1) Identify Participants for Proof of Concept
- 2) Proof of Concept Participants submit data elements to CBP
- 3) Validate Export Profile addresses CBP identified Export Risks
- 4) CBP determines elements of USG Review
- 5) USG Reviews Exporter's Export Program

2nd Quarter 2017

July 2017

3rd Quarter 2017

4th Quarter 2017

1st Quarter 2018



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Post-Departure Filing – Vetting Process

The Four Elements of Post-Departure Filing Proposal:

- Eligibility to Apply;
- Exporter Registration;
- USG Validation of the Exporter Registration Information and Approval to Participate; and
- Periodic USG Shipment Inspections and Audits to Verify Compliance

Step #1 – Eligibility

- A current Option 4 filer in good standing; and
- An Active Exporter

Step #1

Identify Proof of Concept
Participants

Automotive FCA

Agricultural xxxx

2nd Quarter 2017



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Post-Departure Filing Proposal - Vetting Process*

Step #2 – Exporter Registration

- Exporter provides corporate information to USG.
 - U.S. Principal Party of Interest (USPPI) Name and Employer Identification Number (EIN)
 - Title of contact
 - Address
- Exporter establishes an ACE account.
- Exporter provides data based on exports from the past 12-month period to allow USG to create an export profile. *

- | | |
|----------------------------------|---|
| • Origins | • Transport modes |
| • Ultimate Destination Countries | • Ports of Export |
| • Commodity Descriptions | • Intermediate and/or ultimate consignees |
| • HTS or ECCNs | |

Step #2

Review Data Elements
Proof of Concept
Participants Submit Data
Elements to CBP

July 2017 (3rd Quarter)

CBP Determine if
Addresses CBP Export
Risks

3rd Quarter 2017



** It should be noted that many government agencies already have export profiles and USG should be encouraged to use these established profiles to avoid redundant work.*

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Post-Departure Filing Proposal - Vetting Process

Step #3 – USG Review and Approval to Participate

- USG reviews exporter's export management and compliance program.
 - Documented export management and compliance program.
 - Maintain an internal Customs/Export department.
 - Documented requirements in place for freight forwarders and service providers.
 - Accountable member of senior management that oversees export compliance program to ensure adherence to export control laws and regulations.
 - Continuous risk assessment of the export program.
 - Internal and external compliance monitoring and periodic audits.
 - Ongoing compliance training and awareness.
 - Appropriate "Know Your Customer" program.
 - Adherence to regulatory recordkeeping requirements.
 - Maintain a program for handling compliance problems, including reporting export violations.
- USG issues the exporter a Post-Departure Authorization Number, which the exporter can use.

Step #3

USG Defines General Review
Process **4th Quarter 2017**

USG Defines additional
requirements for specific
commodities

4th Quarter 2017

USG Performs reviews on Proof
of Concept Participants

1st Quarter 2018

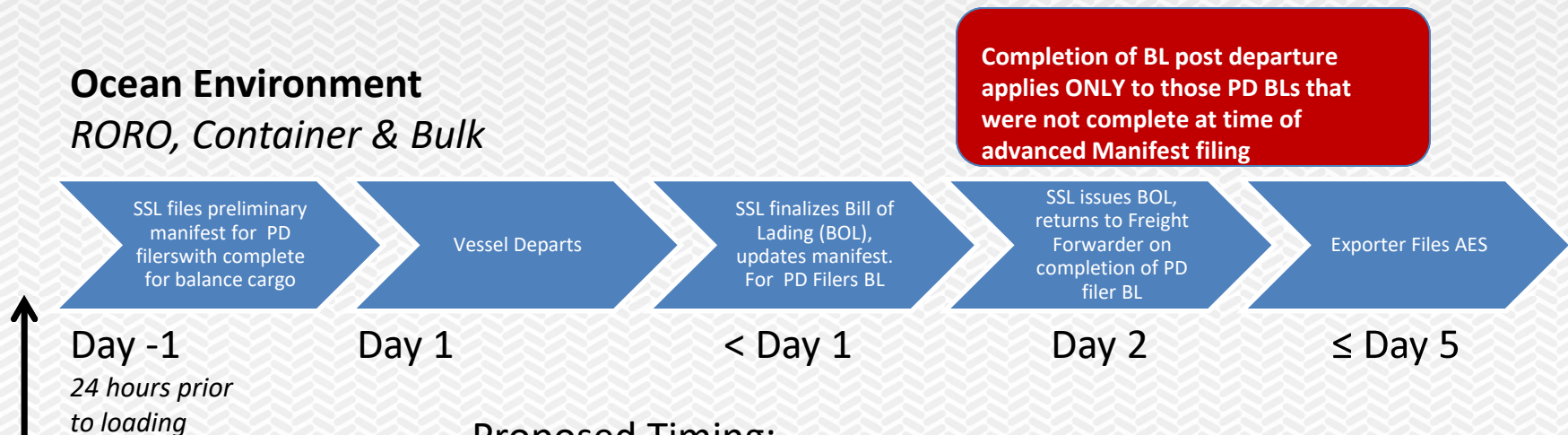


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Advanced e-Manifest using Post-Departure Filing

Phase 2 of Proof of Concept

Ocean Environment *RORO, Container & Bulk*



CBP has export profile data on file.

Manifest filing for all cargo on vessel filed 24Hrs prior to load. PD (Post Departure) manifest will be filed with available data, which when applied against Profile Data will create risk assessment capability for CBP.

Proposed Timing:

- | | |
|---|------------------------------|
| 1) Review Proposed Process for Ocean Environment | 2 nd Quarter 2018 |
| 2) Proof of Concept Participants test process with current ocean shipments | 3 rd Quarter 2018 |
| 3) CBP determines if Export Profile and Manifest filing addresses CBP identified Export Risks | 4 th Quarter 2018 |

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Post-Departure Filing Proposal

Phase 3 of Proof of Concept

Step #4 – Periodic USG Reviews

- To ensure that an exporter is in compliance (e.g., not using Post-Departure Filing to ship controlled commodities), USG may periodically request additional information from the exporter concerning a shipment and/or inspect shipments prior to departure.
- USG may also periodically review an exporter's records to confirm that it is in compliance.
 - **Timing should be based on C-TPAT Schedule – Every 3 years**



Post-Departure Filing Addresses CBP-Identified Risks

1 INFORMATION

Exporter provides its export profile to USG.

- USG can use this information for compliance or targeting purposes
- E-Manifest information is provided prior to loading (24 hours for ocean, 2 hours for shipment-level air data)

2

COMPLIANCE WITH U.S. EXPORT CONTROL LAWS

Post-Departure Authorization Number demonstrates that USG has reviewed the exporter's export management and compliance program to ensure that shipments are in compliance with U.S. export laws and regulations.

3

EXPORT CONTROLS

Eligibility vetting will ensure that an authorized export has an export management and compliance program to reduce the risk of export violations

4

CARGO DESCRIPTION

Exporter profile information and preliminary e-Manifest data, at a minimum, would be available prior to shipment for compliance and targeting purposes.



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COAC Export Subcommittee Option 4 Work Group

**Carrier POV: Leveraging the automated export
manifest system to support Option 4 post-
departure AES filing**

Prepared for Work Group call – 15April15

Proposals have been made to retain Option 4 via a “trust but verify”-type model: post-departure reporting/auditing would be supplemented by rigorous pre-departure vetting and account-based provision of information.

Pre-Departure Controls (Trust)	Post Departure Controls (Verify)
Vetting / Trusted Status	AES full filing
- Account Profile	Government ability to audit post-departure filing against pre-departure account profile and predictive information.
- BIS/DDTC registration as appropriate	
- Robust compliance program and demonstrated compliance	
- Basic predictive information on Option 4 shipments, including origin/destination, general description, HTS/ECCN range, transport modes and ports to be utilized	

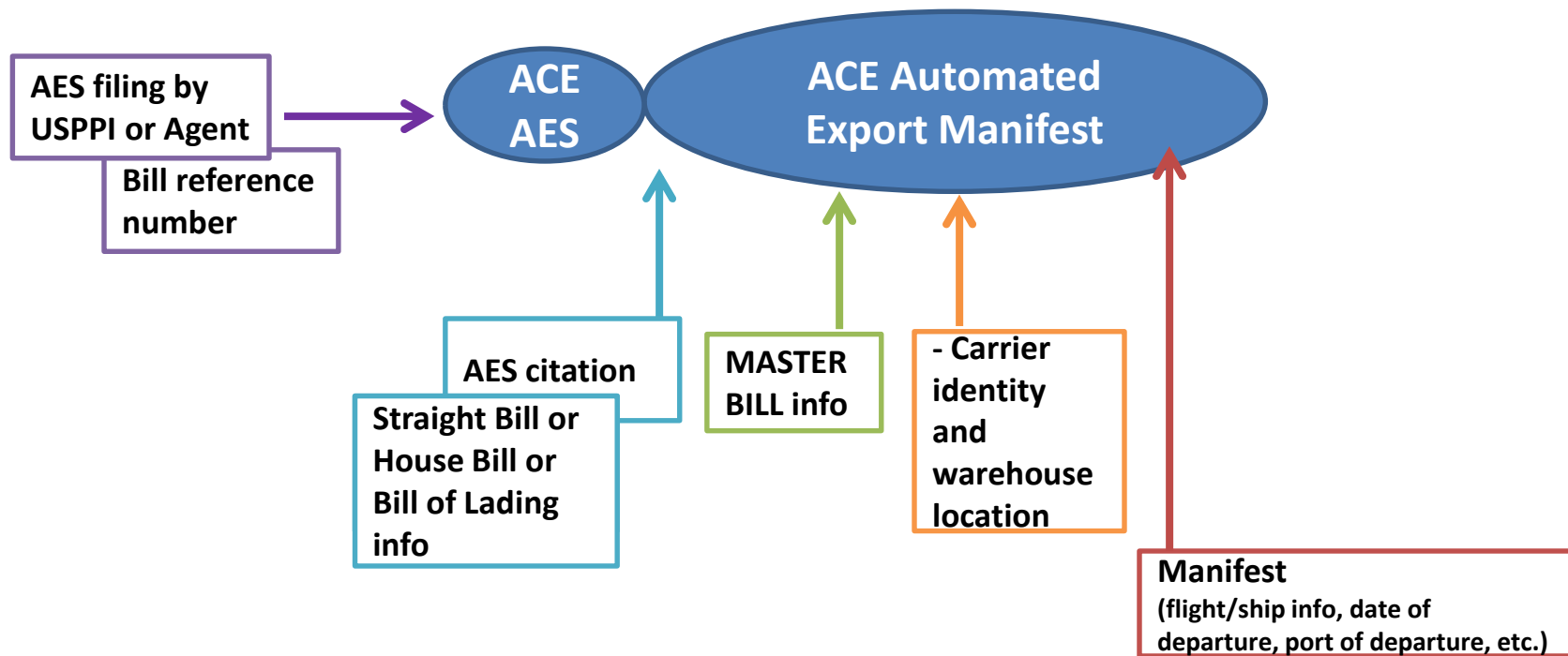
To further support this model, carriers note that the automated manifest initiative would enable a measure of real-time targeting of Option 4 shipments to take place prior to export

Pre-Departure Controls (Trust)	Post Departure Controls (Verify)
Vetting / Trusted Status	AES full filing
- Account Profile	Government ability to audit post-departure filing against pre-departure account profile and predictive information.
- BIS/DDTC registration as appropriate	
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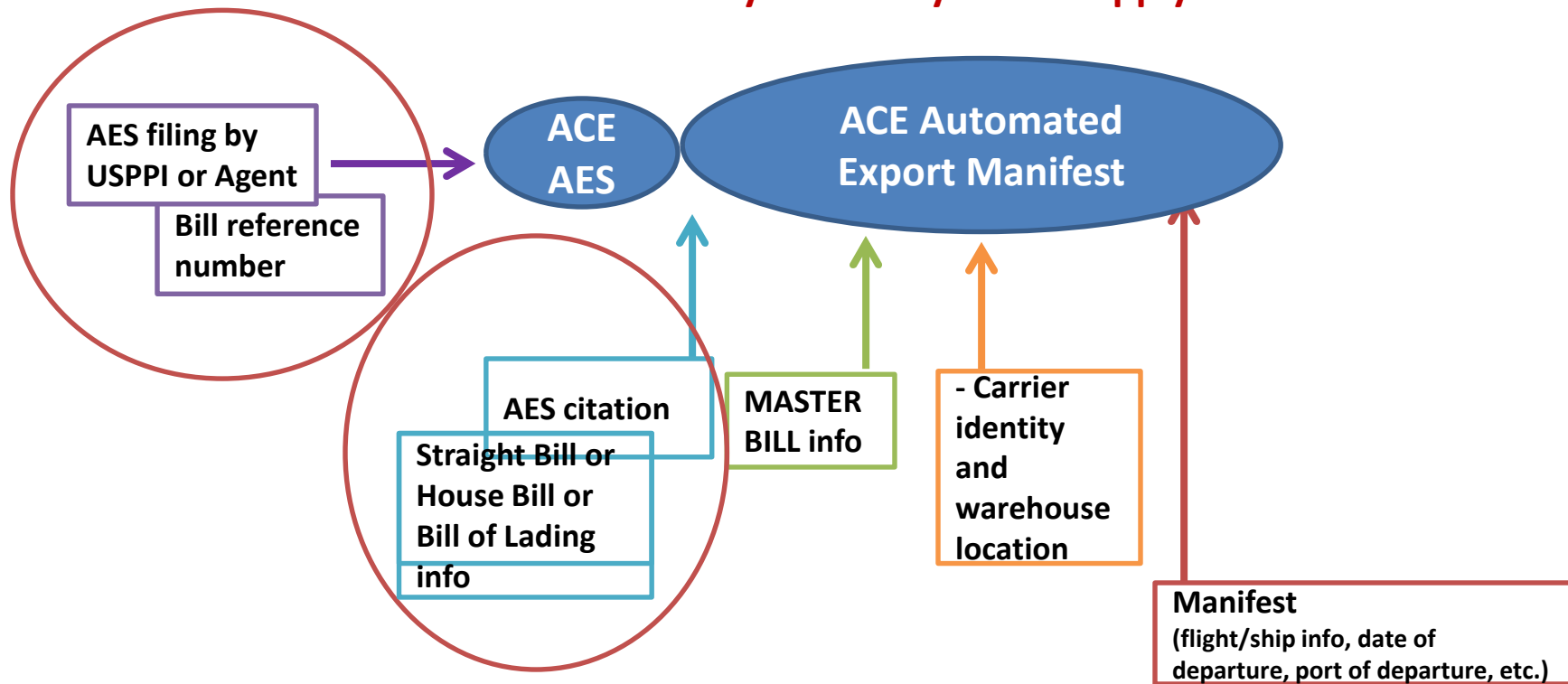
The “progressive filing model” put forth by carriers would provide for “real-time” targeting for Option 4 shipments in the following manner:

1. **Progressive filing decouples shipment data from transport data by dividing the current export manifest package into its component parts, and facilitating the transmission of each part as soon as it is available in the supply chain.**



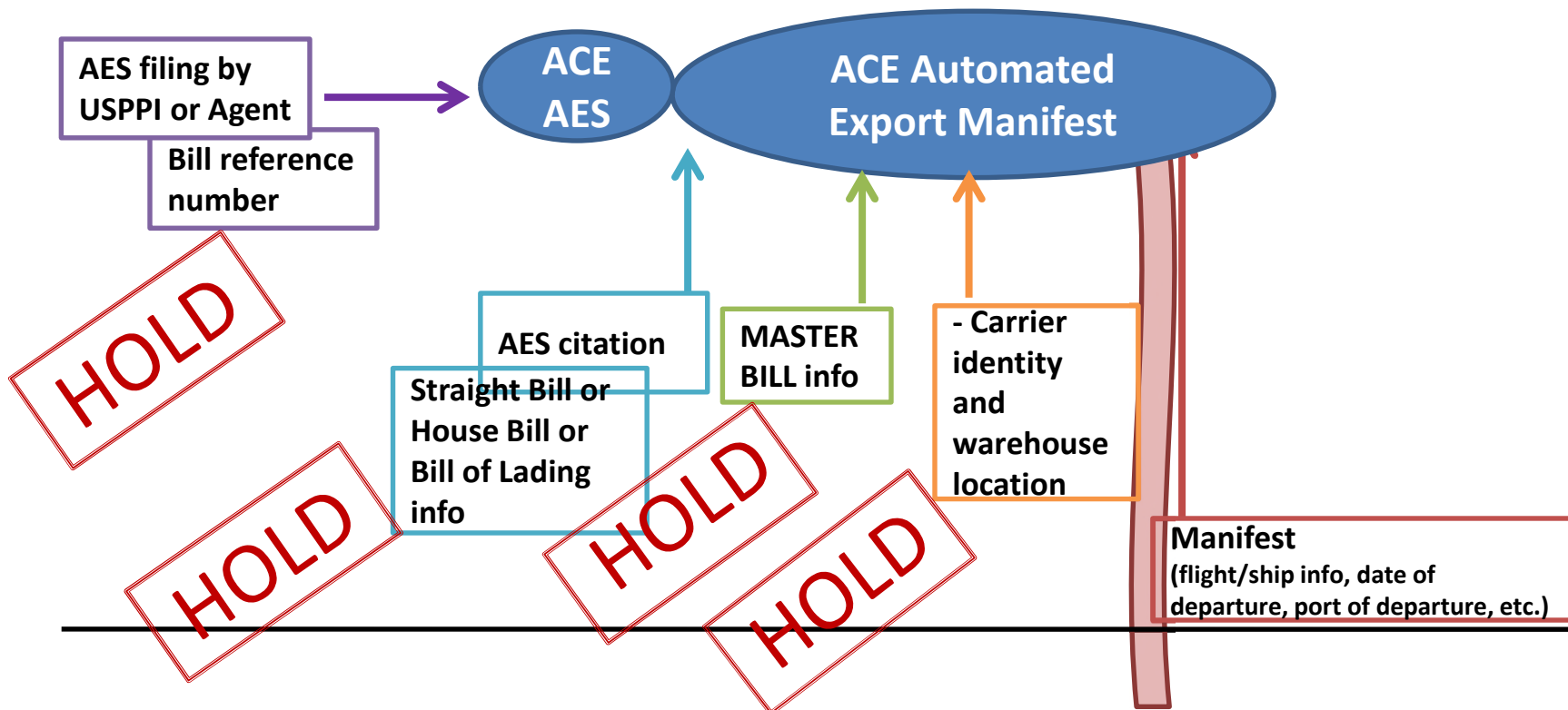
“Progressive filing” = “real-time” targeting for Option 4

2. In progressive filing, the AES citation would be linked to the lowest-level transport bill – i.e., a “straight” bill, a house bill (air) or a bill of lading (ocean), which would be transmitted to the manifest system early in the supply chain.



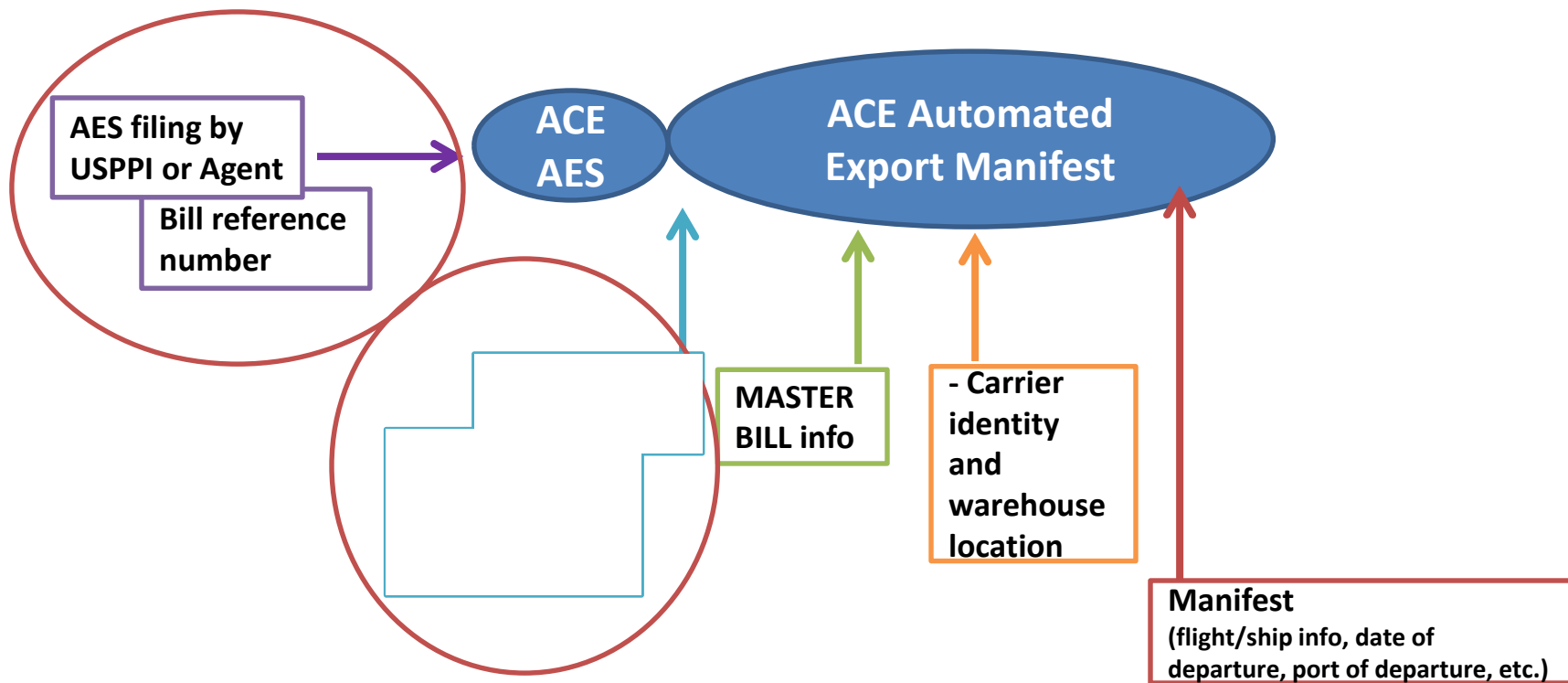
“Progressive filing” = “real-time” targeting for Option 4

3. Should CBP targeting detect anomalies in the transport bill filing for an Option 4 shipment, then a manifest hold could be issued at any point along the progressive filing chain, allowing the shipment to be intercepted for issue resolution or inspection.



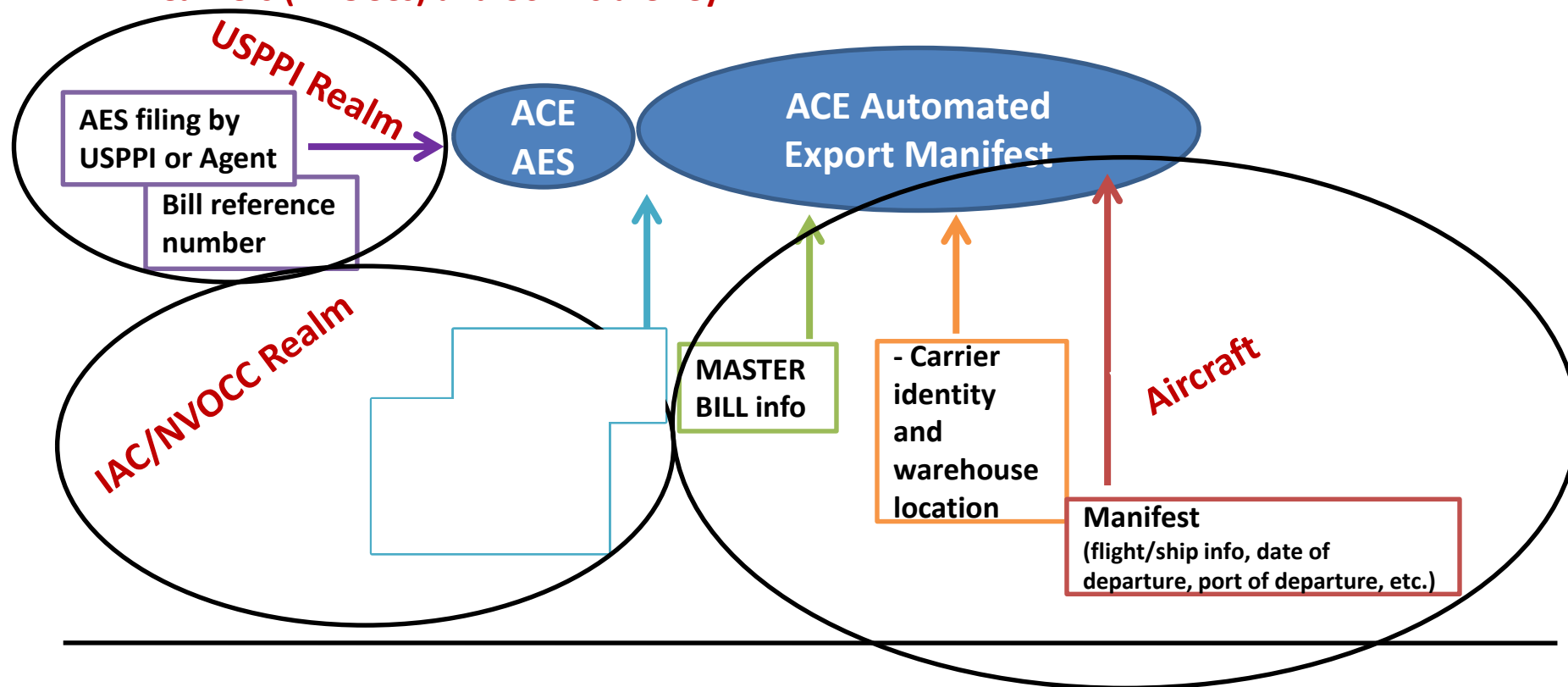
“Progressive filing” = “real-time” targeting for Option 4

4. **Note: ensuring that the AES data is linked to the lowest-level transport bill, and that the bill is transmitted at an early point in the supply chain, will be critical to the ability to efficiently and effectively target Option 4 (and all other) shipments.**



“Progressive filing” = “real-time” targeting for Option 4

5. Aircraft Operators are therefore insistent that Indirect Air Carriers (IACs) must be included in export manifesting in their role as the carrier who issues the lowest-level transport documents. For Vessel-Operating Common Carriers, both Non-Vessel-Operating Common Carriers (NVOCCs) and USPPIs are key.



Appendix 5 : Roles and Responsibilities of Parties Involved

Below are the key U.S. Government Agencies with export control requirements. It is understood there are several other agencies which also have export permit and/or reporting requirements.

A. U.S. Customs and Border Protection (CBP)

CBP analyzes data for security purposes and ensure compliance with all relevant U.S. laws and regulations in accordance with the authorities delegated to CBP by other USG agencies and interdicts the outward flow of illicit products that violate U.S. trade laws.

B. U.S. Census Bureau

The Census Bureau collects information from all persons who are exporting goods from the U.S. under the provisions of the Foreign Trade Regulations (FTR). The FTR contains the regulatory requirements for filing the electronic export information (EEI) in the Automated Export System (AES), a feature of the Automated Commercial Environment (ACE). The Census Bureau uses the information captured in the EEI for statistical purposes, in particular, for publishing the balance of trade figures, referred to as the U.S. International Trade in Goods and Services Report, one of the principal economic indicators for the U.S.

C. Bureau of Industry and Security (BIS)

The main responsibility of BIS regarding exports is to ensure compliance with the U.S. Export Administration Regulations (EAR). BIS issues regulations defining how the trade community will comply with the EAR.

D. Directorate of Defense Trade Controls (DDTC)

The main responsibility of the DDTC in the State Department regarding exports is to ensure compliance with the Arms Export Control Act (AECA), the International Traffic in Arms Regulations (ITAR), and the United States Munitions List (USML). DDTC issues regulations defining how the trade community will comply with these laws and delegates enforcement responsibility to CBP.

E. Office of Foreign Assets Control (OFAC)

The US Department of Treasury's Office of Foreign Assets Control (OFAC) administers and enforces economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States.

F. Nuclear Regulatory Commission

The NRC regulates commercial nuclear power plants and other uses of nuclear materials, such as in nuclear medicine, through licensing, inspection and enforcement of its requirements.

G. Department of Energy National Nuclear Security Administration (NNSA)

NNSA is a semi-autonomous agency within the U.S. Department of Energy responsible for enhancing national security through the military application of nuclear science. NNSA maintains and enhances the safety, security, and effectiveness of the U.S. nuclear weapons stockpile; works to reduce the global danger from weapons of mass destruction.

H. Other Participating Government Agencies (PGAs)

- i. **Agricultural Marketing Services**
- ii. **Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)**
- iii. **Drug Enforcement Agency (DEA)**
- iv. **Environmental Protection Agency (EPA)**
- v. **Fish and Wildlife Service (FWS)**
- vi. **National Marine Fisheries Service (NMFS)**
- vii. **Alcohol and Tobacco Tax and Trade Bureau (TTB)**

I. Trade Community

i. U.S. Principal Party in Interest (USPPI)

The USPPI is the person or legal entity in the United States that receives the primary benefit, monetary or otherwise,

from the export transaction. Generally, that person or entity is the U.S. seller, manufacturer, or order party, or the foreign entity while in the United States when purchasing or obtaining the goods for export. The USPPI may be the filer of the EEI in the AES.

ii. Foreign Principal Party of Interest (FPPI)

The party abroad who purchases the goods for export or to whom final delivery or end-use of the goods will be made.

This party may be the Ultimate Consignee.

iii. Authorized Agent

The Authorized Agent is an individual or legal entity physically located in or otherwise under the jurisdiction of the United States that has obtained power of attorney or written authorization from a USPPI or FPPI to act on its behalf, and to complete and file the EEI in the AES. A forwarding agent or carrier may be an authorized agent.

iv. Forwarding Agent

The person in the United States who is authorized by the principal party of interest to facilitate the movement of the cargo from the United States to the foreign destination and/or prepare and file the required documentation.

v. Carrier

A carrier is an individual or legal entity in the business of transporting passengers or goods. Airlines, trucking companies, railroad companies, shipping lines, pipeline companies, slot charterers, Indirect Air Carriers and Non-Vessel Operating Common Carriers (NVOCCs) are all examples of carriers and they ensure export manifest information is filed with CBP for proper clearance and departure of the conveyance from the U.S.

vi. Software Service Providers

Software Service Providers are companies certified by CBP to provide Information Technology services to any of the companies listed above to establish a communication and data exchange interface between those companies and ACE.

APPENDIX 6: Recommendations referred to in the White Paper:

(Progressive Filing) - (10269) (COAC 13)

Recommendation 4 / COAC 13: We recommend that CBP enable the earliest possible transmission of 1) ocean house-level bills of lading by NVOCCs, and 2) house air waybills by Indirect Air Carriers (IACs) (freight forwarders that tender cargo to an air carrier), to facilitate early CBP risk assessment and shipment interception prior to the consolidation of cargo at inland ports / non-gateway airports and/or at ports/airports of export.

(Use of the Export Mapping) (10296) (COAC 13)

Hold Regime: Similar to early targeting, the success of the automated export manifest will also depend upon the ability to intercept shipments requiring inspection at the earliest possible point, prior to consolidation taking place. We therefore recommend that CBP utilize the export pilot period, in close collaboration with pilot participants and other industry representatives, to examine potential mechanisms to empower early inspection and the ability of forwarders and carriers to have input into the location for inspection, and to test the best candidates in real time.

(PDF) (10298) (COAC 14)

Post Departure Filing: COAC recommends that

- CBP work with Census and carriers participating in the automated export manifest pilot to identify Post Departure Filers to participate in testing during the manifest pilot
- CBP begin to utilize, in the nearest possible timeframe, the export pilot to validate the concept of a low-risk exporter program as put forth in the Post Departure Filing proposal.

Advanced Manifest (10392) (COAC 15)

1. COAC Recommends that as the export manifest processing environment moves forward from a paper to a paperless (electronic) environment, CBP collaborate with stakeholders and ensure that all critical control points are functional through testing of the data, assess the impact of the changes to process, as well as work with the Trade on how the regulations can be developed and changed.

2. COAC Recommends that while developing the electronic export manifest system, the regulatory changes and associated policy guidelines produced are clear and concise for the regulators, trade users, and enforcement bodies to understand prior to going live.

(Mapping of the EEI and Manifest Data)

3. COAC Recommends that the data elements be mapped for Electronic Export Information (EEI) and Manifest filing to define the owners of the data, those who are responsible for the data, and those who may be doing the filing. The mapping should include defining which government agency requires each of the data elements which will demonstrate who is using the data provided as well as significance. By

doing so, consider eliminating redundant and/or unnecessary data requirements and soliciting data only from the most accurate source of the data to achieve more accurate filings in accordance with Section 343 of the Trade Act of 2002.

(Update Regulations to match recommendations)

4. COAC Recommends that CBP work with Census to revise the Foreign Trade Regulations (15 CFR Part 30) and to align CBP's enforcement policy and mitigation guidelines to consider the unintended consequences of the current enforcement environment regarding Electronic Export Information (EEI) and manifest data that often hinders the collection of accurate data. By doing so, promote accurate data reporting, effectively manage risk in the EEI and manifest transaction, and ensure uniformity among US ports of export.

APPENDIX 7: REGULATIONS THAT MAY NEED TO BE UPDATED

The Foreign Trade Regulations will need to be modified once the Census Bureau can ensure that the data collected from the electronic manifest can be used in lieu of EEI data. Initially, a dual reporting period will be necessary. Below are the areas of the FTR that will need to be visited.

30.3(c)(3) Carrier Responsibilities

15 CFR 30.3.e.(1). Note (2)

- (i) Date of Export
- (ix) Carrier identification and conveyance name
- (x) Port of Exit
- (xi) Foreign port of unlading

(These data elements need to shift responsibility to the carrier. The EEI can still contain the information, but the accuracy of the data is for the account of the carrier.)

30.5 Post-Departure

15 CFR 30.6 Electronic Export Information data elements

- (a) (2) Date of Export
- (7) Conveyance name/carrier name
- (6) Method of Transportation
- (8) Carrier identification
- (9) Port of Export
- (b) (4) Foreign Port of Unlading

(These data elements need to shift responsibility to the carrier. The EEI can still contain the information, but the accuracy of the data is for the account of the carrier.)

30.7/30.8 Annotation of the proof of filing citations, exemption citations, etc. on the transportation documents

30.9 EEI Corrections

30.10 Data Retention

30.45 Manifest Requirements

(Need to require Advanced Electronic Manifest.) Regulations that will need to be updated:

19 CFR 192.14 (c) 2. vi - *EEl required*—(1) *Commodity data / Transportation data*